

CASTLE COMPUTER SERVICES LIMITED

Registered number: SC080997

Directors' Report and Financial Statements

For the year ended 31 December 2014

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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

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CASTLE COMPUTER SERVICES LIMITED

Strategic Report

The directors present their strategic report and the financial statements of the group for the year ended 31 December 2014.

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 and Software 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.

A strong 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. A wide portfolio of products and solutions together with a very strong vertical market focus has positioned Castle well going forward.

The year ended 31 December 2014 produced a healthy financial performance with turnover increasing to £8.3m for the Group and good profitability being generated. Strong levels of business and profitability have continued in the first quarter of 2015.

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 and Business 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 £227,597 (2013: £34,266). Shareholders' funds totalled £818,616 at 31 December 2014 (2013: £608,440).

Dividends totalling £17,421 (2013: £ nil) were paid in respect of the year ended 31 December 2014.

Principal risks and uncertainties

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

Customers and Competition: The group 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 group 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.

CASTLE COMPUTER SERVICES LIMITED

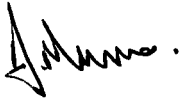
Strategic Report

Principal risks and uncertainties (cont'd)

Financing: The group 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.

This report was approved by the board on

10/6/2015 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 2014.

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

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; and
- 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)

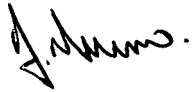
Disclosure of information to auditor

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

10/6/2015 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 2014 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/auditscopeukprivate.

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 2014 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.



**Michael Harkness (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL**

Date: 10 June 2015

CASTLE COMPUTER SERVICES LIMITED

**Group Profit and Loss Account
For the year ended 31 December 2014**

	Note	2014 £	2013 £
Turnover		8,315,705	7,646,425
Cost of sales		(3,632,543)	(3,346,342)
Gross profit		4,683,162	4,300,083
Administrative expenses		(4,399,956)	(4,252,367)
Operating profit	2	283,206	47,716
Investment income	4	683	3,314
Interest payable	5	(220)	-
Profit on ordinary activities before taxation		283,669	51,030
Tax on profit on ordinary activities	6	(56,072)	(16,764)
Profit on ordinary activities after taxation		<u>227,597</u>	<u>34,266</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.

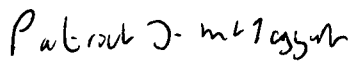
CASTLE COMPUTER SERVICES LIMITED

Group Balance Sheet As at 31 December 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Intangible fixed assets	7		369,145		403,340
Tangible fixed assets	8		185,708		152,617
Investments	9		198,181		198,181
			<u>753,034</u>		<u>754,138</u>
Current assets					
Stocks	10	24,214		24,627	
Debtors	11	2,479,945		1,890,945	
Cash at bank and in hand		<u>1,428,001</u>		<u>1,200,516</u>	
		3,932,160		3,116,088	
Creditors: amounts falling due within one year	12	<u>(3,808,045)</u>		<u>(3,235,723)</u>	
Net current assets/(liabilities)			124,115		(119,635)
Total assets less current liabilities			<u>877,149</u>		<u>634,503</u>
Creditors: amounts falling due in over one year	13		<u>(58,533)</u>		<u>(26,063)</u>
Net assets			<u>818,616</u>		<u>608,440</u>
Capital and reserves					
Called up share capital	15		100,024		100,024
Share premium account	16		26,996		26,996
Other reserves	16		78,025		78,025
Profit and loss account	16		<u>613,571</u>		<u>403,395</u>
			<u>818,616</u>		<u>608,440</u>

The financial statements were authorised for issue by the board on behalf by:

10/6/2015 and signed on its


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 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	8	185,708	144,416
Investments	9	5	4
		<u>185,713</u>	<u>144,420</u>
Current assets			
Stocks	10	24,214	24,627
Debtors	11	3,313,337	2,661,654
Cash at bank and in hand		1,428,000	1,200,515
		<u>4,765,551</u>	<u>3,886,796</u>
Creditors: amounts falling due within one year	12	<u>(3,458,781)</u>	<u>(2,880,543)</u>
Net current assets		<u>1,306,770</u>	<u>1,006,253</u>
Total assets less current liabilities		<u>1,492,483</u>	<u>1,150,673</u>
Creditors: amounts falling due in over one year	13	<u>(58,533)</u>	<u>(26,063)</u>
Net assets		<u><u>1,433,950</u></u>	<u><u>1,124,610</u></u>
Capital and reserves			
Called up share capital	15	100,024	100,024
Share premium account	16	26,996	26,996
Other reserves	16	78,025	78,025
Profit and loss account	16	1,228,905	919,565
		<u><u>1,433,950</u></u>	<u><u>1,124,610</u></u>

The financial statements were authorised for issue by the board on behalf by:

10/6/2015 and signed on its

Patricia 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 2014**

		2014		2013	
	Note	£	£	£	£
Reconciliation of operating profit to net cash flow					
Operating profit			283,206		47,716
Depreciation and amortisation			145,115		149,134
Gain on disposal of fixed assets			-		(6,286)
Decrease in stocks			413		536
Increase in debtors			(589,000)		(142,073)
Decrease/(increase) in creditors			520,690		(216,217)
Operating cash flow			360,424		(167,190)
Cash flow statement					
Operating cash flow			360,424		(167,190)
Returns on investments and servicing of finance					
Interest received		683		3,314	
Interest paid		(220)		-	
Net cash flow from returns on investments and serving of finance			463		3,314
Taxation					
Corporation tax paid			(33,706)		-
Capital expenditure and financial investment					
Payments to acquire fixed assets		(144,011)		(98,489)	
Receipts from sale of fixed assets		-		6,286	
Net cash flow from capital expenditure and financial investment			(144,011)		(92,203)
Equity dividends paid			(17,421)		-
Financing					
Increase/(decrease) in hire purchase financing		61,736		(7,574)	
Net cash flow from financing			61,736		(7,574)
Net cash flow for the year	22		227,485		(263,653)

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 2014

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 2014

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 2014

2. Operating profit

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

	Group	
	2014	2013
	£	£
Depreciation of tangible fixed assets	96,537	101,035
Amortisation of intangible assets	48,578	48,099
Gain on disposal of fixed assets	-	(6,286)
Auditor's remuneration	10,000	10,000
Other fees paid to auditor	7,725	7,725
Pension costs	86,604	75,800
	<u> </u>	<u> </u>

3. Staff costs and numbers

	Group and company 2014	Group and company 2013
	£	£
Wages and salaries	2,923,151	2,838,530
Social security costs	349,856	330,856
Pension costs	86,604	75,800
	<u> </u>	<u> </u>
	<u>3,359,611</u>	<u>3,245,186</u>

The average monthly number of employees within the group and company was 73 (2013: 75).

	2014 No.	2013 No.
The staff of the group worked in the following activities:		
- Distribution	62	64
- Administration	11	11
	<u> </u>	<u> </u>
	<u>73</u>	<u>75</u>

4. Investment income and interest receivable

	Group and company 2014	Group and company 2013
	£	£
Bank interest	683	3,314
	<u> </u>	<u> </u>

CASTLE COMPUTER SERVICES LIMITED

**Notes to the Financial Statements
For the year ended 31 December 2014**

5. Interest payable

	Group and company 2014 £	Group and company 2013 £
Interest payable on hire purchase contracts	220	-

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

	2014 £	2013 £
UK corporation tax – current year	52,351	6,612
Overseas taxation	3,721	-
UK corporation tax – adjustments in respect of prior years	-	10,152
	<u>56,072</u>	<u>16,764</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 21.49% (2013: 20.00%)

	60,970	10,206
Effects of:		
Fixed asset differences	-	90
Expenses not deductible for tax purposes	5,051	2,819
Capital allowances in excess of depreciation	(10,098)	(3,713)
Other short term timing differences	188	(1,825)
Foreign tax credits	812	-
Adjustments in respect of prior years	-	10,152
Utilisation of unrelieved tax losses	958	(965)
Marginal relief	(1,809)	-
Current tax charge for the year	<u>56,072</u>	<u>16,764</u>

There were no factors that may affect future tax charges.

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

7. Intangible fixed assets

Group	Goodwill £	Software Intellectual Property £	Total £
Cost			
At 1 January 2014	338,114	215,871	553,985
Additions	14,383	-	14,383
At 31 December 2014	<u>352,497</u>	<u>215,871</u>	<u>568,368</u>
Amortisation			
At 1 January 2014	110,645	40,000	150,645
Charge for the year	28,578	20,000	48,578
At 31 December 2014	<u>139,223</u>	<u>60,000</u>	<u>199,223</u>
Net book value			
At 31 December 2014	<u>213,274</u>	<u>155,871</u>	<u>369,145</u>
At 31 December 2013	<u>227,469</u>	<u>175,871</u>	<u>403,340</u>

8. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2014	635,152	66,666	148,734	850,552
Additions	111,706	-	17,922	129,628
Disposals	-	(13,161)	-	(13,161)
At 31 December 2014	<u>746,858</u>	<u>53,505</u>	<u>166,656</u>	<u>967,019</u>
Depreciation				
At 1 January 2014	497,232	66,666	134,037	697,935
Charge for the year	89,419	-	7,118	96,537
On disposals	-	(13,161)	-	(13,161)
At 31 December 2014	<u>586,651</u>	<u>53,505</u>	<u>141,155</u>	<u>781,311</u>
Net book value				
At 31 December 2014	<u>160,207</u>	<u>-</u>	<u>25,501</u>	<u>185,708</u>
At 31 December 2013	<u>137,920</u>	<u>-</u>	<u>14,697</u>	<u>152,617</u>

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

8. Tangible fixed assets (continued)

Company	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2014	495,400	57,275	101,523	654,198
Additions	111,706	-	17,922	129,628
Disposals	-	(13,161)	-	(13,161)
At 31 December 2014	<u>607,106</u>	<u>44,114</u>	<u>119,445</u>	<u>770,665</u>
Depreciation				
At 1 January 2014	365,681	57,275	86,826	509,782
Charge for the year	81,218	-	7,118	88,336
On disposals	-	(13,161)	-	(13,161)
At 31 December 2014	<u>446,899</u>	<u>44,114</u>	<u>93,944</u>	<u>584,957</u>
Net book value				
At 31 December 2014	<u>160,207</u>	<u>-</u>	<u>25,501</u>	<u>185,708</u>
At 31 December 2013	<u>129,719</u>	<u>-</u>	<u>14,697</u>	<u>144,416</u>

Included within fixed assets (company and group) are plant and machinery assets held under hire purchase contracts with a net book value of £114,439 (2013: £50,110). Depreciation charged on these assets during the year was £28,091 (2013: £2,100).

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

9. 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 2014 and at 31 December 2014	11,600	11,600
	<u>11,600</u>	<u>11,600</u>
Provisions for diminution		
At 1 January 2014 and at 31 December 2014	11,600	11,600
	<u>11,600</u>	<u>11,600</u>
Net book value		
At 31 December 2013 and 31 December 2014	-	-
	<u>-</u>	<u>-</u>

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 (UK) Limited, a dormant company with a year end of 31 December.
- £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 2014 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 £5 (2013: £4).

10. Stocks

	Company		Group	
	2014 £	2013 £	2014 £	2013 £
Finished goods and goods for resale	24,214	24,627	24,214	24,627
	<u>24,214</u>	<u>24,627</u>	<u>24,214</u>	<u>24,627</u>

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

11. Debtors

	Company		Group	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,312,866	779,788	1,543,404	936,708
Amounts due from group companies	1,156,648	1,039,360	-	-
Other debtors	843,823	842,506	936,541	954,237
	<u>3,313,337</u>	<u>2,661,654</u>	<u>2,479,945</u>	<u>1,890,945</u>

12. Creditors: amounts falling due within one year

	Company		Group	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	930,534	718,390	1,009,344	809,725
Other tax and social security	361,652	230,319	361,652	230,319
Corporation tax payable	35,155	12,789	35,155	12,789
Other creditors	104,497	95,641	124,658	127,508
Hire purchase agreements	55,329	26,063	55,329	26,063
Accruals and deferred income	1,971,614	1,797,341	2,221,907	2,029,319
	<u>3,458,781</u>	<u>2,880,543</u>	<u>3,808,045</u>	<u>3,235,723</u>

13. Creditors: amounts falling due in over one year

	Company		Group	
	2014 £	2013 £	2014 £	2013 £
Hire purchase agreements	58,533	26,063	58,533	26,063
	<u>58,533</u>	<u>26,063</u>	<u>58,533</u>	<u>26,063</u>

14. Obligations under hire purchase agreements

Future obligations under hire purchase agreements are as follows:

	Company		Group	
	2014 £	2013 £	2014 £	2013 £
Amounts payable within 1 year	55,329	26,063	55,329	26,063
Amounts payable in over 1-2 years	58,533	26,063	58,533	26,063
	<u>113,862</u>	<u>52,126</u>	<u>113,862</u>	<u>52,126</u>

The company's hire purchase creditors are secured over the assets to which they relate.

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

15. Share capital

	2014 £	2013 £
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
	100,024	100,024

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 2014

16. Reserves

	Company £	Group £
Share premium account		
At 1 January 2014 and 31 December 2014	<u>26,996</u>	<u>26,996</u>
Capital redemption reserve		
At 1 January 2014 and 31 December 2014	<u>78,025</u>	<u>78,025</u>
Profit and loss account		
At 1 January 2014	919,565	403,395
Profit after tax for the year	326,761	227,597
Dividends paid	<u>(17,421)</u>	<u>(17,421)</u>
At 31 December 2014	<u>1,228,905</u>	<u>613,571</u>

In accordance with section 480 of the Companies Act 2006, the company has not presented its own profit and loss account. The company's profit for the financial year after tax was £326,761 (2013: £241,119). Dividends of £17,421 (2013: £nil) have been paid in the year.

CASTLE COMPUTER SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 December 2014

17. Reconciliation of movement in shareholders' funds

Group	2014 £	2013 £
Profit for the year after tax	227,597	34,266
Dividends paid	(17,421)	-
Opening shareholders' funds	608,440	574,174
Closing shareholders' funds	818,616	608,440
Company	2014 £	2013 £
Profit for the year after tax	326,761	241,119
Dividends paid	(17,421)	-
Opening shareholders' funds	1,124,610	883,491
Closing shareholders' funds	1,433,950	1,124,610

18. 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 £86,604 (2013: £75,800).

19. Operating lease commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	-	2,486	22,729
Between 2 and 5 years	-	52,895	17,736	23,455
After more than 5 years	28,485	-	-	-
	28,485	52,895	20,222	46,184

20. 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 2014

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

Group	2014 £	2013 £
Change in cash in the year	227,485	(263,653)
Net funds brought forward	1,200,516	1,464,169
Net funds carried forward	<u>1,428,001</u>	<u>1,200,516</u>

22. Analysis of net funds

Group	At 1 January 2014 £	Cash flow £	Other Changes £	At 31 December 2014 £
Cash at bank and in hand	<u>1,200,516</u>	<u>227,485</u>	<u>-</u>	<u>1,428,001</u>

23. 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.