

CASTLE COMPUTER SERVICES LIMITED

Company registration number SC080997

**DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2015



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 Statutory Auditor & Chartered Accountants Exchange Place 3 Sempie 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
Directors' Report	1 - 2
Independent Auditor's Report	3 - 4
Group Profit and Loss account	5
Group Balance Sheet	6
Company Balance Sheet	7
Notes to the Financial Statements	8 - 20

CASTLE COMPUTER SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

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 2015 produced a good financial performance and although turnover dropped slightly to £8.1M Operating Profit showed a healthy increase. Strong levels of business and profitability have continued in the first quarter of 2016.

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 profit and loss account on page 5. The Group's profit for the year after taxation was £296,155 (2014: £227,597). Shareholders' funds totalled £950,069 at 31 December 2015 (2014: £818,616).

Dividends totalling £164,702 (2014: £17,421) were paid in respect of the year ended 31 December 2015.

Directors

The directors who served during the year were:

A M Munro
G A Strathie
P McTaggart

CASTLE COMPUTER SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements of the company 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland to Small Entities'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

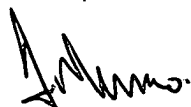
Auditor

The auditor, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small company exemptions

The above report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 section 1A - Small Entities.

This report was approved by the board on 23 June 2016 and signed on its behalf.



A M Munro
Director

CASTLE COMPUTER SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE COMPUTER SERVICES LIMITED

We have audited the financial statements of Castle Computer Services Limited for the year ended 31 December 2015, which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland as applicable to Small Entities'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 website at www.frc.org.uk/auditscopeukprivate.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the circumstances set out in note 22 to the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have not identified any material misstatements in the Directors' Report.

CASTLE COMPUTER SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE COMPUTER SERVICES LIMITED

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
- 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; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Scott Moncrieff

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

23 June 2016

CASTLE COMPUTER SERVICES LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover		8,120,212	8,315,705
Cost of sales		(3,151,018)	(3,632,543)
Gross profit		<u>4,969,194</u>	<u>4,683,162</u>
Administrative expenses		(4,579,623)	(4,399,956)
Operating profit		<u>389,571</u>	<u>283,206</u>
Investment income	6	5,375	683
Interest payable and similar charges	7	(706)	(220)
Profit on ordinary activities before taxation		<u>394,240</u>	<u>283,669</u>
Tax on profit on ordinary activities	8	(98,085)	(56,072)
Profit for the financial year		<u><u>296,155</u></u>	<u><u>227,597</u></u>
Profit for the year attributable to:			
Owners of the parent company		(296,155)	(227,597)
		<u><u>(296,155)</u></u>	<u><u>(227,597)</u></u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the consolidated profit and loss account.

The notes on pages 8 to 20 form part of these financial statements.

CASTLE COMPUTER SERVICES LIMITED
REGISTERED NUMBER: SC080997

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	9	319,608	369,145
Tangible fixed assets	10	102,643	185,708
Investment properties	11	198,181	198,181
		<u>620,432</u>	<u>753,034</u>
Current assets			
Stocks	12	24,156	24,214
Debtors	13	2,137,349	2,479,945
Bank and cash balances		1,820,113	1,428,001
		<u>3,981,618</u>	<u>3,932,160</u>
Creditors: amounts falling due within one year	14	(3,622,714)	(3,808,045)
Net current assets		358,904	124,115
Total assets less current liabilities		<u>979,336</u>	<u>877,149</u>
Creditors: amounts falling due after more than one year	15	(29,267)	(58,533)
Net assets		<u><u>950,069</u></u>	<u><u>818,616</u></u>
Capital and reserves			
Called up share capital	17	100,024	100,024
Share premium account		26,996	26,996
Other reserves		78,025	78,025
Profit and loss account	19	745,024	613,571
		<u><u>950,069</u></u>	<u><u>818,616</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 June 2016.

Patrick McTaggart
P McTaggart
 Director

G A Strathie
 Director



The notes on pages 8 to 20 form part of these financial statements.

CASTLE COMPUTER SERVICES LIMITED
REGISTERED NUMBER: SC080997
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	101,310	185,708
Investments	11	5	5
		<u>101,315</u>	<u>185,713</u>
Current assets			
Stocks	12	24,156	24,214
Debtors	13	2,981,230	3,313,337
Bank and cash balances		1,820,113	1,428,000
		<u>4,825,499</u>	<u>4,765,551</u>
Creditors: amounts falling due within one year	14	(3,184,508)	(3,458,781)
Net current assets		1,640,991	1,306,770
Total assets less current liabilities		<u>1,742,306</u>	<u>1,492,483</u>
Creditors: amounts falling due after more than one year	15	(29,267)	(58,533)
Net assets		<u><u>1,713,039</u></u>	<u><u>1,433,950</u></u>
Capital and reserves			
Called up share capital	17	100,024	100,024
Share premium account		26,996	26,996
Capital redemption reserve		78,025	78,025
Profit and loss account	19	1,507,994	1,228,905
		<u><u>1,713,039</u></u>	<u><u>1,433,950</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 June 2016.

Patrick J. McTaggart
P McTaggart
 Director

G A Strathie
 Director



The notes on pages 8 to 20 form part of these financial statements.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

The company is a United Kingdom private company limited by shares and is incorporated in Scotland. The company's registered number is SC080997. The address of the registered office is Stewart House, Pochard Way, Strathclyde Business Park, Bellshill, ML4 3HB.

These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the Group's transactions are denominated.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities) and the Companies Act 2006.

These are the first financial statements prepared under Section 1A of FRS 102. The date of transition is 1 January 2014.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Group Profit and Loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

One (dormant) subsidiary, Castle Computer Services (Glasgow) Limited has been consolidated with a reporting date of 30 November 2015. The Group has taken exemption from preparing its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

Going concern

The directors are of the opinion that the company 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.

Turnover and cost sales

Turnover comprises the value of goods and services supplied by the company, 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.

Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life of 10 years.

Intellectual software property is recognised on the basis of the cost at initial recognition. After recognition, under the cost model, it is then measured at cost less any accumulated amortisation and any accumulated impairment losses. Intellectual software property is amortised on a straight line basis to the Profit and Loss Account over its estimated useful life of 10 years.

Tangible fixed assets

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.

Depreciation is provided on the following bases:

Plant and machinery	-	33%	straight line
Motor vehicles	-	25%	straight line
Equipment, fixtures and fittings	-	20%	straight line

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in non-puttable ordinary shares.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

Deferred tax

Deferred tax is provided 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.

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.

Investments

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

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 2015**

2. 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.

Pensions

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of assets.

4. Employee information

The average monthly number of employees with the company was 75 (2014: 73).

	2015	2014
	£	£
The staff of the company worked in the following activities:		
Distribution	64	62
Administration	11	11
	75	73

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Auditor's remuneration	10,000	10,000
Auditor's remuneration - fees for non-audit services	<u>8,254</u>	<u>7,725</u>

6. Investment income and interest receivable

	2015	2014
	£	£
Bank interest	<u>5,375</u>	<u>683</u>

7. Interest payable and similar charges

	2015	2014
	£	£
Interest payable on hire purchase contracts	<u>706</u>	<u>220</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Taxation on profit on ordinary activities

	2015 £	2014 £
UK corporation tax - current year	96,556	52,351
Overseas taxation	1,529	3,721
	<u>98,085</u>	<u>56,072</u>

Factors affecting tax charge for the period

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	79,820	60,970
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Effects of:

Expenses not deductible for tax purposes	2,615	5,051
Foreign tax credits	10	812
Marginal relief	(163)	(1,809)
Adjust closing deferred tax to average rate of 20.25%	3,912	1,445
Adjust opening deferred tax to average rate of 20.25%	(238)	(2,066)
Adjustments in respect of previous periods	(2,909)	-
Deferred tax not recognised	15,038	(8,331)
Total tax charge for the year	<u>98,085</u>	<u>56,072</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 2015**

9. Intangible fixed assets

Group

	Goodwill	Software Intellectual Property	Total
	£	£	£
Cost			
At 1 January 2015	298,049	215,871	513,920
Additions	-	-	-
At 31 December 2015	<u>298,049</u>	<u>215,871</u>	<u>513,920</u>
Amortisation			
At 1 January 2015	84,775	60,000	144,775
Charge for the year	29,537	20,000	49,537
At 31 December 2015	<u>114,312</u>	<u>80,000</u>	<u>194,312</u>
Net book value			
At 31 December 2015	<u>183,737</u>	<u>135,871</u>	<u>319,608</u>
At 31 December 2014	<u>213,274</u>	<u>155,871</u>	<u>369,145</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Tangible fixed assets

Group

	Plant and machinery £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2015	746,858	166,656	53,505	967,019
Additions	13,899	1,315	-	15,214
At 31 December 2015	<u>760,757</u>	<u>167,971</u>	<u>53,505</u>	<u>982,233</u>
Depreciation				
At 1 January 2015	586,651	141,155	53,505	781,311
Charge for the year	89,080	9,199	-	98,280
At 31 December 2015	<u>675,731</u>	<u>150,354</u>	<u>53,505</u>	<u>879,591</u>
Net book value				
At 31 December 2015	<u>85,026</u>	<u>17,617</u>	<u>-</u>	<u>102,643</u>
At 31 December 2014	<u>160,207</u>	<u>25,501</u>	<u>-</u>	<u>185,708</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Company

	Plant and machinery	Equipment, fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2015	722,257	166,654	53,505	942,416
Additions	12,567	1,315	-	13,882
At 31 December 2015	<u>734,824</u>	<u>167,969</u>	<u>53,505</u>	<u>956,298</u>
Depreciation				
At 1 January 2015	562,048	141,155	53,505	756,708
Charge owned for the period	89,081	9,199	-	98,280
At 31 December 2015	<u>651,129</u>	<u>150,354</u>	<u>53,505</u>	<u>854,988</u>
Net book value				
At 31 December 2015	<u>83,695</u>	<u>17,615</u>	<u>-</u>	<u>101,310</u>
At 31 December 2014	<u>160,209</u>	<u>25,499</u>	<u>-</u>	<u>185,708</u>

11. Investments

Investment property

Group

The group investment falls within the scope of section 16 of FRS 102 as being an investment property and is therefore carried at fair value within the accounts, with changes in fair value being recognised in profit or loss. In the year the directors have applied professional judgement and have determined that the fair value of the property at the Balance Sheet date is not materially different to the cost of the property of £198,181.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 January 2015	5
Additions	-
At 31 December 2015	<u>5</u>
Depreciation	
At 1 January 2015	-
At 31 December 2015	<u>-</u>
Net book value	
At 31 December 2015	<u>5</u>
At 31 December 2014	<u>5</u>

The company holds investments as follows:

Two £1 ordinary shares in Castle Computer Services (Edinburgh) Limited, a dormant company with a year end of 31 December.

One £1 ordinary share in Castle Computer Services (Glasgow) Limited, a dormant company with a year end of 30 November.

One £1 ordinary share in Castle Computer Services (UK) Limited, a dormant company with a year end of 31 December.

One £1 ordinary share in Castle Computer Services (Dynamics) Limited, a company with a year end of 31 December.

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 (2014: £5).

All subsidiaries have been consolidated into the Group financial statements.

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Stocks

	Group and Company	
	2015 £	2014 £
Finished goods and goods for resale	<u>24,156</u>	<u>24,214</u>

13. Debtors

	Company		Group	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	768,185	1,312,866	1,176,470	1,543,404
Amounts due from group companies	1,364,146	1,156,648	-	-
Other debtors	848,899	843,823	960,879	936,541
	<u>2,981,230</u>	<u>3,313,337</u>	<u>2,137,349</u>	<u>2,479,945</u>

14. Creditors: amounts falling due within one year

	Company		Group	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	650,556	930,534	776,645	1,009,344
Other tax and social security	305,963	361,652	305,963	361,652
Corporation tax payable	80,890	35,155	80,890	35,155
Other creditors	150,324	104,497	159,218	124,658
Hire purchase agreements	29,267	55,329	29,267	55,329
Accruals and deferred income	1,967,508	1,971,614	2,270,731	2,221,907
	<u>3,184,508</u>	<u>3,458,781</u>	<u>3,622,714</u>	<u>3,808,045</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	Group and Company	
	2015 £	2014 £
Hire purchase agreements	29,267	58,533
	<u>29,267</u>	<u>58,533</u>

Secured loans

Obligations under finance lease and hire purchase contracts are secured on the assets acquired.

16. Obligations under hire purchase agreements

	2015 £	2014 £
Amounts payable within 1 year	29,267	55,329
Amounts payable in over 1-2 years	29,267	58,533
	<u>58,534</u>	<u>113,862</u>

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

17. Called-up share capital

	2015 £	2014 £
Allotted, called up and fully paid equity shares:		
100,000- Ordinary shares of £1 each	100,000	100,000
20- 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>

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.

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.

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 2015

18. Dividends

	2015 £	2014 £
On equity shares:		
Dividend in respect of the year ended 31 December 2015	<u>164,702</u>	<u>17,421</u>

19. Profit and loss account reserve

	Company £	Group £
At 1 January 2015	1,228,905	613,571
Profit after tax for the year	443,791	296,155
Dividends paid	(164,702)	(164,702)
At 31 December 2015	<u>1,507,994</u>	<u>745,024</u>

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £107,457 (2014: £86,604).

21. Leasing commitments

The Group has future operating lease commitments of £123,485 (2014: £156,803).

22. Other professional services provided by the auditor

In common with many other businesses of our size and nature, the company uses its auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

23. Related party transactions

The company has taken advantage of the exemption available in section 1A of Financial Reporting Standard 102 not to disclose transactions with other group companies.

24. 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 2015**

25. First time adoption of FRS 102

These financial statements for the year ended 31 December 2015 are the Group's first financial statements that comply with FRS 102. The Group's date of transition to FRS 102 was 1 January 2014. The Group's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014. There were no restatements required to the comparative prior year accounts as a result of the transition. The transition to FRS 102 has not affected the financial position or financial performance of the Group.

26. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss account in these financial statements. The profit after tax of the parent Company for the year was £443,791 (2014 - £326,761).