



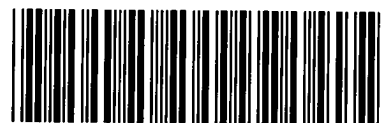
CASTLE COMPUTER SERVICES LIMITED

Company registration number SC080997

**DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



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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 Statutory Auditor & Chartered Accountants 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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

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 2016 produced a good financial performance with Turnover increasing to £8.3M and healthy Operating Profit of £309K. Strong levels of business and profitability have continued in the first quarter of 2017.

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.

Directors

The directors who served during the year were:

A M Munro
G A Strathie
P McTaggart

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 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 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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 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.

CASTLE COMPUTER SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- each director has taken all the steps that ought to have been 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.

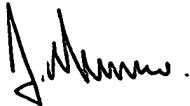
Auditor

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

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 April 2017 and signed on its behalf by:



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 2016, set out on pages 5 to 19. The relevant 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 on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's (APB) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)" in the circumstances set out in note 21 to the financial statements.

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.

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 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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

CASTLE COMPUTER SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE COMPUTER SERVICES
LIMITED (CONTINUED)**

Matters on which we are required to report by exception

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

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 in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.

Michael Harkness

Michael Harkness (Senior Statutory Auditor)

for and on behalf of

Scott-Moncrieff

Statutory Auditor

Chartered Accountants

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

26 April 2017

CASTLE COMPUTER SERVICES LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		8,310,009	8,120,212
Cost of sales		(3,281,678)	(3,151,018)
Gross profit		5,028,331	4,969,194
Administrative expenses		(4,719,080)	(4,579,623)
Operating profit		309,251	389,571
Interest receivable and similar income		2,076	5,375
Interest payable and expenses		(1,983)	(706)
Profit before tax		309,344	394,240
Tax on profit	6	(90,680)	(98,085)
Profit after tax		218,664	296,155
Retained earnings at the beginning of the year		745,024	613,571
Profit for the year attributable to the owners of the parent		218,664	296,155
Dividends declared and paid		(131,199)	(164,702)
Retained earnings at the end of the year		832,489	745,024

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 8 to 19 form part of these financial statements.

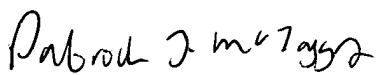
CASTLE COMPUTER SERVICES LIMITED
REGISTERED NUMBER: SC080997

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	7	346,792	319,608
Tangible assets	8	51,266	102,643
Investment property	10	198,181	198,181
		<u>596,239</u>	<u>620,432</u>
Current assets			
Stocks	11	100,294	24,156
Debtors: amounts falling due within one year	12	2,385,392	2,137,349
Cash at bank and in hand	13	1,683,283	1,820,113
		<u>4,168,969</u>	<u>3,981,618</u>
Creditors: amounts falling due within one year	14	(3,727,674)	(3,622,714)
Net current assets		<u>441,295</u>	<u>358,904</u>
Total assets less current liabilities		<u>1,037,534</u>	<u>979,336</u>
Creditors: amounts falling due after more than one year	15	-	(29,267)
Net assets		<u><u>1,037,534</u></u>	<u><u>950,069</u></u>
Capital and reserves			
Called up share capital	16	100,024	100,024
Share premium account		26,996	26,996
Capital redemption reserve		78,025	78,025
Profit and loss account		832,489	745,024
		<u><u>1,037,534</u></u>	<u><u>950,069</u></u>

The financial statements 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 26 April 2017 by:


P McTaggart
 Director


G A Strathie
 Director

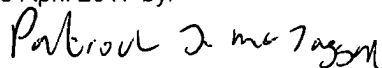
CASTLE COMPUTER SERVICES LIMITED
REGISTERED NUMBER: SC080997

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	49,933	101,310
Investments	9	5	5
		<u>49,938</u>	<u>101,315</u>
Current assets			
Stocks	11	100,294	24,156
Debtors: amounts falling due within one year	12	3,332,971	2,981,230
Cash at bank and in hand	13	1,683,283	1,820,113
		<u>5,116,548</u>	<u>4,825,499</u>
Creditors: amounts falling due within one year	14	(3,297,173)	(3,184,508)
Net current assets		<u>1,819,375</u>	<u>1,640,991</u>
Total assets less current liabilities		<u>1,869,313</u>	<u>1,742,306</u>
Creditors: amounts falling due after more than one year	15	-	(29,267)
Net assets		<u><u>1,869,313</u></u>	<u><u>1,713,039</u></u>
Capital and reserves			
Called up share capital	16	100,024	100,024
Share premium account		26,996	26,996
Capital redemption reserve		78,025	78,025
Profit and loss account		1,664,268	1,507,994
		<u><u>1,869,313</u></u>	<u><u>1,713,039</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with 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 26 April 2017 by:


P McTaggart
 Director


G A Strathie
 Director

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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.

2. Accounting policies

2.1 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.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

One (dormant) subsidiary, Castle Computer Services (Glasgow) Limited has been consolidated with a reporting date of 30 November 2016.

The parent company has taken exemption from preparing its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

2.3 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.

2.4 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.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 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.

2.6 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 basis:

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

2.7 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.

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.

2.8 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Income and Retained Earnings.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Investments

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

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Finance leases and hire purchase contracts

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 Consolidated Statement of Income and Retained Earnings 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 2016

2. Accounting policies (continued)

2.16 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. Employees

The average monthly number of employees, including directors, during the year was 76 (2015 - 75).

5. Auditor's remuneration

	2016 £	2015 £
Fees for the audit of the Group's annual financial statements	9,500	10,000
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	2,750	3,000
All other services	3,490	5,254
	6,240	8,254

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	71,714	96,556
Adjustments in respect of previous periods	18,966	-
Foreign tax on income for the year	-	1,529
Total current tax	90,680	98,085

Factors affecting tax charge for the period

	2016 £	2015 £
Profit on ordinary activities before tax	309,344	394,240
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	61,869	79,820
Effects of:		
Expenses not deductible for tax purposes	2,164	2,615
Foreign tax credits	-	10
Adjustments to tax charge in respect of prior periods	18,966	(2,909)
Other differences leading to an increase (decrease) in the tax charge	-	(153)
Marginal relief	-	(163)
Deferred tax not recognised	7,681	18,865
Total tax charge for the year	90,680	98,085

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 2016**

7. Intangible assets

Group

	Goodwill	Software Intellectual Property	Total
	£	£	£
Cost			
At 1 January 2016	298,049	215,871	513,920
Additions	-	78,576	78,576
At 31 December 2016	<u>298,049</u>	<u>294,447</u>	<u>592,496</u>
Amortisation			
At 1 January 2016	114,312	80,000	194,312
Charge for the year	29,805	21,587	51,392
At 31 December 2016	<u>144,117</u>	<u>101,587</u>	<u>245,704</u>
Net book value			
At 31 December 2016	<u>153,932</u>	<u>192,860</u>	<u>346,792</u>
At 31 December 2015	<u>183,737</u>	<u>135,871</u>	<u>319,608</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Tangible fixed assets

Group

	Plant and machinery £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2016	760,757	167,971	53,505	982,233
Additions	12,712	513	10,250	23,475
Disposals	-	-	(26,000)	(26,000)
At 31 December 2016	<u>773,469</u>	<u>168,484</u>	<u>37,755</u>	<u>979,708</u>
Depreciation				
At 1 January 2016	675,731	150,354	53,505	879,590
Charge for the period on owned assets	65,779	6,724	2,349	74,852
Disposals	-	-	(26,000)	(26,000)
At 31 December 2016	<u>741,510</u>	<u>157,078</u>	<u>29,854</u>	<u>928,442</u>
Net book value				
At 31 December 2016	<u>31,959</u>	<u>11,406</u>	<u>7,901</u>	<u>51,266</u>
At 31 December 2015	<u>85,026</u>	<u>17,617</u>	<u>-</u>	<u>102,643</u>

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2016	734,824	53,505	167,969	956,298
Additions	12,712	10,250	513	23,475
Disposals	-	(26,000)	-	(26,000)
At 31 December 2016	<u>747,536</u>	<u>37,755</u>	<u>168,482</u>	<u>953,773</u>
Depreciation				
At 1 January 2016	651,129	53,505	150,354	854,988
Charge for the period on owned assets	65,779	2,349	6,724	74,852
Disposals	-	(26,000)	-	(26,000)
At 31 December 2016	<u>716,908</u>	<u>29,854</u>	<u>157,078</u>	<u>903,840</u>
Net book value				
At 31 December 2016	<u>30,628</u>	<u>7,901</u>	<u>11,404</u>	<u>49,933</u>
At 31 December 2015	<u>83,695</u>	<u>-</u>	<u>17,615</u>	<u>101,310</u>

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

9. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2016	5
At 31 December 2016	<u>5</u>

The company holds investments in the following companies:

Two £1 ordinary shares in Castle Computer Services (Edinburgh) Limited, a dormant company with a year end of 31 December 2016. The aggregate of share capital and reserves at that date was £2.

One £1 ordinary share in Castle Computer Services (Glasgow) Limited, a dormant company with a year end of 30 November 2016. The aggregate of share capital and reserves at that date was £1.

One £1 ordinary share in Castle Computer Services (UK) Limited, a dormant company with a year end of 31 December 2016. The aggregate of share capital and reserves at that date was £1.

One £1 ordinary share in Castle Computer Services (Dynamics) Limited, a company with year end of 31 December 2016. The aggregate of share capital and reserves at that date was (£831,777) and the loss for the year then ended was £68,808.

All of these investments represent 100% of the issued share capital of the respective companies, which are private limited companies limited by shares and are registered in the United Kingdom.

All subsidiaries have been consolidated into the group financial statements.

10. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2016	198,181
At 31 December 2016	<u>198,181</u>

The 2016 valuations were made by the directors, on an open market value for existing use basis.

CASTLE COMPUTER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finished goods and goods for resale	100,294	24,156	100,294	24,156

12. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	1,390,345	1,176,470	877,308	768,185
Amounts owed by group undertakings	-	-	1,574,305	1,364,146
Other debtors	995,047	960,879	881,358	848,899
	2,385,392	2,137,349	3,332,971	2,981,230

13. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,683,283	1,820,113	1,683,283	1,820,113

14. Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	972,436	776,644	831,564	650,556
Corporation tax	71,714	80,890	71,714	80,890
Other taxation and social security	295,379	305,963	295,379	305,963
Obligations under finance lease and hire purchase contracts	29,267	29,267	29,267	29,267
Other creditors	370,577	462,444	80,943	150,324
Accruals and deferred income	1,988,301	1,967,508	1,988,306	1,967,508
	3,727,674	3,622,716	3,297,173	3,184,508

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Obligations under hire purchase contracts	-	29,267	-	29,267

16. Called-up share capital

	2016 £	2015 £
Shares classified as equity		
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
	100,024	100,024

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.

17. Pension commitments

The group operates a defined contribution 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 £115,283 (2015: £107,457). At 31 December 2016 contributions of £13,165 (2015: £2,465) were due and are included within other creditors.

CASTLE COMPUTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

18. Operating lease commitments

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 2016 £	Other 2016 £	Land and buildings 2015 £	Other 2015 £
Within 1 year	24,416	21,254	48,832	19,926
Between 1 and 5 years	-	10,315	28,485	22,937
	<u>24,416</u>	<u>31,569</u>	<u>77,317</u>	<u>42,863</u>

19. 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.

The dividends were paid to directors in the current and preceding years.

20. Controlling party

The ultimate controlling party is Mr A M Munro.

21. Other professional services provided by the auditor

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

22. 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 £287,473 (2015 - £443,791).