

REGISTERED NUMBER: 03476994 (England and Wales)

**Group Strategic Report,**  
**Report of the Directors and**  
**Consolidated Financial Statements**  
**for the Year Ended 31 March 2016**  
**for**  
**Trustco Plc**

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**Trustco Plc (Registered number: 03476994)**

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**for the year ended 31 March 2016**

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**Trustco Plc**

**Company Information**  
**for the year ended 31 March 2016**

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**DIRECTORS:** K Lawton  
Mrs KJ Lawton  
T E Cripps  
Ms M Cope

**SECRETARY:** Mrs KJ Lawton

**REGISTERED OFFICE:** Ground Floor  
19 New Road  
Brighton  
East Sussex  
BN1 1UF

**BUSINESS ADDRESS:** 12 Riverside Business Centre  
Brighton Road  
Shoreham by Sea  
West Sussex  
BN43 6RE

**REGISTERED NUMBER:** 03476994 (England and Wales)

**AUDITORS:** Lucraft Hodgson & Dawes (Statutory Auditor)  
Ground Floor  
19 New Road  
Brighton  
East Sussex  
BN1 1UF

**Group Strategic Report**  
**for the year ended 31 March 2016**

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The directors present their strategic report of the company and the group for the year ended 31 March 2016.

The directors are satisfied with the group's performance for the year under review despite a challenging market environment. In addition, the board are optimistic of maximising returns following the introduction of a new print service department that expands the Trustco offering into new market segments.

The Group is pleased to receive an unqualified audit report on the 2016 financial statements which confirms that this strategic report is in line with the wider accounts and report for the year.

**REVIEW OF BUSINESS**

The parent company continues to cement its focus on storage solutions by building strong networks and partnerships with key manufacturers to ensure that Trustco Plc remains ideally positioned to attract new business and enhance value within the existing client base.

Cloud operations have been restructured during the year to ensure the best mix of flexibility and control with the market responding well to our cloud service offering.

The board are happy with the staff recruitment drive which remains active. We have been working with new team members to ensure that they understand the business model and are fully trained in their approach.

The parent company has been rewarded with the ISO9001 accreditation again and feels it is important to show that we can be held accountable for the way we work internally and with our customers.

Software sales are steady and we continue to support a number of key vendors.

In house marketing remains a key focus with funds available for new data and involvement in IT related shows and events.

**Financial performance and key indicators:**

The key performance and indicators are given below:

	2016 (£)	2015 (£)	% Change
Turnover	4,502,381	5,066,315	(11%)
Gross Profit	688,128	834,825	(17.5%)
Operating profit/(loss)	215,058	310,213	(30.6%)
Net Profit/(Loss)	209,654	301,854	(30.5%)
Net Assets	321,738	359,295	(10.5%)

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main risk is the contracting hardware market with hardware requirements becoming fewer every day. With equipment becoming smaller, faster and more powerful customers are able to do more with less and make their assets last longer resulting in lower demand. The markets within which the company have historically operated are shrinking and changing. To minimise this risk the effects of a contracting market we have diversified into new business segments such as print services and working closer with backup and DR products.

**ASTOUND FACILITIES GROUP LIMITED**

Despite another challenging year for our subsidiary, the financial results continued to improve showing signs of increased efficiency in the business operations. Further developments on key areas of the company's operating system and strong relationships with customers will assist the company to a position of profitability. Greater focus on segments with greater profit margins will set us in good stead for the foreseeable future.

**Group Strategic Report**  
**for the year ended 31 March 2016**

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**RESEARCH AND DEVELOPMENT**

Applied research and development is fundamental to the company and our competitiveness in the markets we operate. Work continues towards the introduction of new and improved products and services, the application of new technology to reduce costs and to improve service to customers remain primary objectives, while also exploring and opening potential opportunities.

**FUTURE DEVELOPMENTS**

Trustco Plc has been able to present various ideas to foreign storage vendors to partner with us to offer cloud DR solutions, this is on going.

The group is keeping a close eye on foreign markets for 'the next big thing' and have made contact with several companies looking for Trustco to be their first entry point in to the UK market.

We will continue to strive for market share by offering our clients the best technology for their needs.

In order to grow and develop our IT storage sales we may be required to recruit further experienced professionals with relevant contacts and expertise.

**ON BEHALF OF THE BOARD:**



.....  
T E Cripps - Director

Date: 26/9/16 .....

**Report of the Directors**  
**for the year ended 31 March 2016**

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The directors present their report with the financial statements of the company for the year ended 31 March 2016.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2016 will be £247,211.

Since the balance sheet date the directors have proposed further dividends in the sum of £75,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

K Lawton  
Mrs KJ Lawton  
T E Cripps  
Ms M Cope

**GOING CONCERN**

The board believe that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the company continues to adopt the going concern basis in producing accounts. A statement of directors' responsibilities in relation to the accounts appears on page 5.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Trustco plc (Registered number: 03476994)**

**Report of the Directors**  
**for the year ended 31 March 2016**

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**AUDITORS**

The auditors, Lucraft Hodgson and Dawes, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
T E Cripps - Director

Date: .....

26/9/16

## **Report of the Independent Auditors to the Members of Trustco Plc**

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We have audited the financial statements of Trustco Plc for the year ended 31 March 2016 on pages eight to thirty three. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.




**Report of the Independent Auditors to the Members of  
Trustco Plc**

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**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.

  
Christopher Ford FCA (Senior Statutory Auditor)  
for and on behalf of Lucraft Hodgson & Dawes (Statutory Auditor)  
Ground Floor  
19 New Road  
Brighton  
East Sussex  
BN1 1UF

Date: 26/9/16

**Trustco Plc (Registered number: 03476994)**

**Consolidated Income Statement**  
**for the year ended 31 March 2016**

	Notes	31.3.16 £	£	31.3.15 £	£
<b>TURNOVER</b>	3		4,502,382		5,066,315
Cost of sales			3,814,254		4,231,490
<b>GROSS PROFIT</b>			688,128		834,825
Distribution costs		18,177		27,337	
Administrative expenses		463,599		512,375	
			481,776		539,712
			206,352		295,113
Other operating income			8,706		15,100
<b>OPERATING PROFIT</b>	6		215,058		310,213
Profit/loss on sale of tang fa	8		3,000		(1,702)
			218,058		308,511
Interest payable and similar expenses	9		5,593		6,657
<b>PROFIT BEFORE TAXATION</b>			212,465		301,854
Tax on profit	10		2,811		-
<b>PROFIT FOR THE FINANCIAL YEAR</b>			209,654		301,854
Profit attributable to: Owners of the parent			209,654		301,854

The notes form part of these financial statements

**Consolidated Other Comprehensive Income**  
**for the year ended 31 March 2016**

	Notes	31.3.16 £	31.3.15 £
<b>PROFIT FOR THE YEAR</b>		209,654	301,854
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>209,654</u>	<u>301,854</u>
Total comprehensive income attributable to: Owners of the parent		<u>209,654</u>	<u>301,854</u>

The notes form part of these financial statements

**Trustco Plc (Registered number: 03476994)**

**Consolidated Statement of Financial Position**  
**31 March 2016**

	Notes	31.3.16 £	£	31.3.15 £	£
<b>FIXED ASSETS</b>					
Intangible assets	15		60,000		67,500
Tangible assets	16		18,040		25,020
Investments	17		10,000		10,000
Investment property	18		450,000		450,000
			<u>538,040</u>		<u>552,520</u>
<b>CURRENT ASSETS</b>					
Stocks	19	4,500		7,423	
Debtors: amounts falling due within one year	20	969,971		1,051,465	
Cash at bank and in hand		6,171		14,026	
		<u>980,642</u>		<u>1,072,914</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	21	1,037,778		1,074,380	
<b>NET CURRENT LIABILITIES</b>			<u>(57,136)</u>		<u>(1,466)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>480,904</u>		<u>551,054</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	22		159,166		191,759
<b>NET ASSETS</b>			<u>321,738</u>		<u>359,295</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	26		50,700		50,700
Fair Value Reserve	27		144,038		144,038
Retained earnings	27		127,000		164,557
<b>SHAREHOLDERS' FUNDS</b>			<u>321,738</u>		<u>359,295</u>

The financial statements were approved by the Board of Directors on 26/9/16 and were signed on its behalf by:



T E Cripps - Director



Ms M Cope - Director

The notes form part of these financial statements

**Company Statement of Financial Position**  
**31 March 2016**

	Notes	31.3.16 £	31.3.15 £
<b>FIXED ASSETS</b>			
Intangible assets	15	-	-
Tangible assets	16	9,599	8,937
Investments	17	135,100	135,100
Investment property	18	450,000	450,000
		<u>594,699</u>	<u>594,037</u>
<b>CURRENT ASSETS</b>			
Stocks	19	3,500	6,423
Debtors: amounts falling due within one year	20	939,081	1,018,996
Cash at bank and in hand		342	2,362
		<u>942,923</u>	<u>1,027,781</u>
<b>CREDITORS</b>			
Amounts falling due within one year	21	994,735	1,025,471
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(51,812)</u>	<u>2,310</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>542,887</u>	<u>596,347</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	22	159,166	191,759
<b>NET ASSETS</b>		<u><u>383,721</u></u>	<u><u>404,588</u></u>

The notes form part of these financial statements

**Company Statement of Financial Position - continued**

**31 March 2016**

	Notes	31.3.16 £	£	31.3.15 £	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	26		50,700		50,700
Fair Value Reserve	27		144,038		144,038
Retained earnings	27		188,983		209,850
<b>SHAREHOLDERS' FUNDS</b>			<u>383,721</u>		<u>404,588</u>
Company's profit for the financial year			<u>226,344</u>		<u>321,303</u>

The financial statements were approved by the Board of Directors on 26/9/16 and were signed on its behalf by:



.....  
T E Cripps - Director



.....  
Ms M Cope - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity**  
**for the year ended 31 March 2016**

	Called up share capital £	Retained earnings £	Fair Value Reserve £	Total equity £
<b>Balance at 1 April 2014</b>	50,400	97,188	144,038	291,626
<b>Changes in equity</b>				
Issue of share capital	300	-	-	300
Dividends	-	(234,485)	-	(234,485)
Total comprehensive income	-	301,854	-	301,854
<b>Balance at 31 March 2015</b>	50,700	164,557	144,038	359,295
<b>Changes in equity</b>				
Dividends	-	(247,211)	-	(247,211)
Total comprehensive income	-	209,654	-	209,654
<b>Balance at 31 March 2016</b>	50,700	127,000	144,038	321,738

The notes form part of these financial statements

**Trustco Plc (Registered number: 03476994)**

**Company Statement of Changes in Equity**  
**for the year ended 31 March 2016**

	Called up share capital £	Retained earnings £	Fair Value Reserve £	Total equity £
<b>Balance at 1 April 2014</b>	50,400	123,032	144,038	317,470
<b>Changes in equity</b>				
Issue of share capital	300	-	-	300
Dividends	-	(234,485)	-	(234,485)
Total comprehensive income	-	321,303	-	321,303
<b>Balance at 31 March 2015</b>	<u>50,700</u>	<u>209,850</u>	<u>144,038</u>	<u>404,588</u>
<b>Changes in equity</b>				
Dividends	-	(247,211)	-	(247,211)
Total comprehensive income	-	226,344	-	226,344
<b>Balance at 31 March 2016</b>	<u>50,700</u>	<u>188,983</u>	<u>144,038</u>	<u>383,721</u>

The notes form part of these financial statements



**Consolidated Statement of Cash Flows**  
**for the year ended 31 March 2016**

	Notes	31.3.16 £	31.3.15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	249,426	250,556
Interest paid		(5,593)	(6,657)
Net cash from operating activities		243,833	243,899
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,339)	(16,382)
Sale of tangible fixed assets		(350)	6,701
Net cash from investing activities		(8,689)	(9,681)
<b>Cash flows from financing activities</b>			
Loan repayments in year		(41,705)	(40,584)
Drawdown of invoice discounting facility		4,373,639	5,013,161
Repayments of invoice discounting		(4,470,670)	(5,054,981)
Amount introduced by directors		140,152	150,550
Amount withdrawn by directors		(140,586)	(151,666)
Share issue		-	200
Government Grants		-	4,000
Equity dividends paid		(247,211)	(234,485)
Net cash from financing activities		(386,381)	(313,805)
Decrease in cash and cash equivalents		(151,237)	(79,587)
Cash and cash equivalents at beginning of year	2	(85,784)	(6,197)
Cash and cash equivalents at end of year	2	(237,021)	(85,784)

The notes form part of these financial statements

**Notes to the Consolidated Statement of Cash Flows**  
**for the year ended 31 March 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.16	31.3.15
	£	£
Profit before taxation	212,465	301,854
Depreciation charges	22,255	20,146
(Profit)/loss on disposal of fixed assets	(2,086)	1,702
Government grants	-	(4,000)
Finance costs	5,593	6,657
	<u>238,227</u>	<u>326,359</u>
Decrease in stocks	2,923	3,036
Decrease in trade and other debtors	59,113	256,928
Decrease in trade and other creditors	(50,837)	(335,767)
<b>Cash generated from operations</b>	<u><u>249,426</u></u>	<u><u>250,556</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2016**

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	6,171	14,026
Bank overdrafts	(243,192)	(99,810)
	<u>(237,021)</u>	<u>(85,784)</u>

**Year ended 31 March 2015**

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	14,026	22,673
Bank overdrafts	(99,810)	(28,870)
	<u>(85,784)</u>	<u>(6,197)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements**  
**for the year ended 31 March 2016**

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**1. COMPANY INFORMATION**

The company was incorporated on 5th December 1997 and is a public, unlisted company registered in England and Wales. The company's registered number is 03476994 and the principal place of business is 12 Riverside Business Centre, Shoreham by Sea, BN43 6RE.

The principal activities of the company in the year under review were the supply of IT hardware, software, storage, virtualisation and associated services.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 30 for an explanation of the transition.

These financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these financial statements, the results and financial position are presented in Sterling (£).

**Basis of consolidation**

The Group financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 March 2016. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include assessing the value of Goodwill to establish whether an impairment is appropriate. This assessment is supported by a valuation method of using the discounted future cash flows of the underlying trade..

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

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**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover includes revenue earned from the sale of goods and from the rendering of services stated after trade discounts, other sales related taxes and net of VAT.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2014, is being amortised evenly over its estimated useful life of ten years.

In addition to amortisation, goodwill is also subject to provision for impairment where there is evidence that its carrying value is overstated.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

**Investment property**

Investment property is carried at fair value. Revaluation surpluses are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock cost is calculated using the first in first out method.

**Taxation**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is only recognised where it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred. Development costs relate to specific projects utilising technical knowledge to enhance the company's range of products and services.

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

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**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

**Investments**

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using an appropriate valuation technique.

**Invoice discounting**

Amounts due in respect of invoice discounting are disclosed within bank loans and overdrafts as current liabilities. The company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade debtors remains with the company.

**Going concern**

Notwithstanding the company's net current liabilities at 31 March 2016, these financial statements have been prepared on a going concern basis as the directors are satisfied that the company will have adequate resources and the continuing support provided by the ultimate controlling parties to meet its financial obligations as they fall due for a period of at least 12 months from when these financial statements are approved.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.3.16	31.3.15
	£	£
Supply of IT goods and service	4,207,005	4,731,903
Facilities management services	295,377	334,412
	<u>4,502,382</u>	<u>5,066,315</u>

The turnover and profit before taxation are attributable to the principal activities of the company as described in the directors report.

An analysis of turnover by business class is given below:

	Group	Company
	£	£
Supply of IT goods and services	4,207,005	4,207,005
Facilities management services	295,376	0.00
	<u>4,502,381</u>	<u>4,207,005</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**4. EMPLOYEES AND DIRECTORS**

	31.3.16	31.3.15
	£	£
Wages and salaries	258,664	315,843
Social security costs	20,308	28,809
	<u>278,972</u>	<u>344,652</u>

The average monthly number of employees during the year was as follows:

	31.3.16	31.3.15
Sales	5	5
Administration	3	5
	<u>8</u>	<u>10</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 1.

**5. DIRECTORS' EMOLUMENTS**

	31.3.16	31.3.15
	£	£
Directors' remuneration	<u>37,921</u>	<u>32,762</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.16	31.3.15
	£	£
Hire of plant and machinery	71,000	67,307
Depreciation - owned assets	14,755	22,984
Loss on disposal of fixed assets	914	-
Goodwill amortisation	7,500	3,750
Foreign exchange differences	-	512
	<u></u>	<u></u>

**7. AUDITORS' REMUNERATION**

	31.3.16	31.3.15
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	2,000	4,250
Auditors' remuneration for non audit work	<u>2,595</u>	<u>6,391</u>

**8. EXCEPTIONAL ITEMS**

	31.3.16	31.3.15
	£	£
Profit/loss on sale of tang fa	<u>3,000</u>	<u>(1,702)</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.16	31.3.15
	£	£
Bank loan interest	5,593	6,657

**10. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.16	31.3.15
	£	£
Current tax:		
UK corporation tax	2,811	-
Tax on profit	2,811	-

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.16	31.3.15
	£	£
Profit before tax	212,465	301,854
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	42,493	60,371
Effects of:		
Expenses not deductible for tax purposes	730	1,602
Depreciation in excess of capital allowances	425	343
Utilisation of tax losses	(31,111)	(37,703)
Research and Development tax credits	(9,726)	(27,433)
Tax losses carried forward	-	2,820
Total tax charge	2,811	-

**11. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**12. DIVIDENDS**

	31.3.16	31.3.15
	£	£
Ordinary £1 shares of £1 each		
Interim	124,000	144,000
Ordinary D, E, F, G shares of £1 each		
Interim	123,211	90,485
	247,211	234,485

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

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**13. RESEARCH AND DEVELOPMENT**

During the year an amount of £37,408 (2015: £109,732) was charged to the profit and loss account in respect of research and development activities.

**14. SEGMENTAL INFORMATION**

During the year under review the company had two material business segments, the results and position of which were as follows:

	2016	2016	2015	2015
	IT Supplies	Facilities Management	IT Supplies	Facilities Management
Operating profit/(loss)	231,748	(16,690)	329,662	(19,449)
Net Assets/ (Liabilities)	383,721	63,117	404,588	79,807

**15. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>COST</b>	
At 1 April 2015	
and 31 March 2016	75,000
<b>AMORTISATION</b>	
At 1 April 2015	7,500
Amortisation for year	7,500
At 31 March 2016	15,000
<b>NET BOOK VALUE</b>	
At 31 March 2016	60,000
At 31 March 2015	67,500

There was no charge to impairment of intangible fixed assets during the year, (2015: £nil).



**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

16. TANGIBLE FIXED ASSETS

**Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2015	14,129	28,822	15,162	63,442	121,555
Additions	1,680	1,121	-	5,538	8,339
Disposals	-	(1,256)	(8,495)	-	(9,751)
At 31 March 2016	15,809	28,687	6,667	68,980	120,143
<b>DEPRECIATION</b>					
At 1 April 2015	8,116	26,328	12,662	49,429	96,535
Charge for year	3,640	1,660	1,666	7,789	14,755
Eliminated on disposal	-	(692)	(8,495)	-	(9,187)
At 31 March 2016	11,756	27,296	5,833	57,218	102,103
<b>NET BOOK VALUE</b>					
At 31 March 2016	4,053	1,391	834	11,762	18,040
At 31 March 2015	6,013	2,494	2,500	14,013	25,020

**Company**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2015	713	22,532	8,495	50,600	82,340
Additions	-	141	-	5,188	5,329
Disposals	-	-	(8,495)	-	(8,495)
At 31 March 2016	713	22,673	-	55,788	79,174
<b>DEPRECIATION</b>					
At 1 April 2015	488	22,530	8,495	41,890	73,403
Charge for year	75	31	-	4,561	4,667
Eliminated on disposal	-	-	(8,495)	-	(8,495)
At 31 March 2016	563	22,561	-	46,451	69,575
<b>NET BOOK VALUE</b>					
At 31 March 2016	150	112	-	9,337	9,599
At 31 March 2015	225	2	-	8,710	8,937

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**17. FIXED ASSET INVESTMENTS**

**Group**

	Unlisted investments £
<b>COST</b>	
At 1 April 2015 and 31 March 2016	10,000
<b>NET BOOK VALUE</b>	
At 31 March 2016	10,000
At 31 March 2015	10,000

**Company**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 April 2015 and 31 March 2016	125,100	10,000	135,100
<b>NET BOOK VALUE</b>			
At 31 March 2016	125,100	10,000	135,100
At 31 March 2015	125,100	10,000	135,100

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiary**

**Astound Facilities Group Limited**

Registered office:

Nature of business: Commercial cleaning contractors

	% holding		
Class of shares:			
Ordinary	100.00	31.3.16 £	31.3.15 £
Aggregate capital and reserves		63,117	79,807
Loss for the year		(16,690)	(19,449)

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**18. INVESTMENT PROPERTY**

**Group**

	Total £
<b>FAIR VALUE</b>	
At 1 April 2015	
and 31 March 2016	450,000
<b>NET BOOK VALUE</b>	
At 31 March 2016	450,000
At 31 March 2015	450,000

Amounts transferred to the fair value reserve in respect of the above investment property have no tax effect for the period under review.

**Company**

	Total £
<b>FAIR VALUE</b>	
At 1 April 2015	
and 31 March 2016	450,000
<b>NET BOOK VALUE</b>	
At 31 March 2016	450,000
At 31 March 2015	450,000

Cost or valuation at 31 March 2016 is represented by:

	£
Valuation in 2013	380,000
Valuation in 2014	70,000
	450,000

If investment property had not been revalued it would have been included at the following historical cost:

	31.3.16 £	31.3.15 £
Cost	374,762	374,762
Aggregate depreciation	(91,285)	(83,790)

Investment property was valued on an open market basis on 31 March 2015 by Fox & Sons, independent agents.

Amounts transferred to the fair value reserve in respect of the above investment property have no tax effect for the period under review.

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**19. STOCKS**

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Stocks	<u>4,500</u>	<u>7,423</u>	<u>3,500</u>	<u>6,423</u>

**20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Trade debtors	809,831	869,168	748,901	795,779
Amounts owed by group undertakings	-	-	39,132	61,513
Other debtors	102,345	154,517	98,359	139,817
Prepayments and accrued income	57,795	27,780	52,689	21,887
	<u>969,971</u>	<u>1,051,465</u>	<u>939,081</u>	<u>1,018,996</u>

**21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Bank loans and overdrafts (see note 23)	277,204	256,087	277,204	256,087
Payments on account	1,488	27,389	1,488	27,389
Trade creditors	629,863	642,085	596,453	613,376
Tax	2,811	-	2,811	-
Social security and other taxes	2,999	5,185	4,545	5,270
VAT	35,868	54,503	31,456	40,090
Other creditors	3,951	5,239	-	5,239
Credit cards	9,474	11,151	9,104	10,838
Directors' loan accounts	945	1,380	899	753
Accruals and deferred income	73,175	71,361	70,775	66,429
	<u>1,037,778</u>	<u>1,074,380</u>	<u>994,735</u>	<u>1,025,471</u>

**22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Bank loans (see note 23)	<u>159,166</u>	<u>191,759</u>	<u>159,166</u>	<u>191,759</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**23. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	243,192	99,810	243,192	99,810
Bank loans	34,012	156,277	34,012	156,277
	<u>277,204</u>	<u>256,087</u>	<u>277,204</u>	<u>256,087</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>18,218</u>	<u>32,681</u>	<u>18,218</u>	<u>32,681</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>57,458</u>	<u>36,903</u>	<u>57,458</u>	<u>36,903</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>83,490</u>	<u>122,175</u>	<u>83,490</u>	<u>122,175</u>

The bank loan repayable after five years by instalments as shown above has a total repayment term of 20 years and carries an interest rate of 2% over base for the life of the loan.

**24. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

<b>Company</b>	31.3.16	31.3.15
	£	£
Within one year	38,146	-
Between one and five years	9,277	40,337
	<u>47,423</u>	<u>40,337</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**25. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Bank loans and overdraft	<u>436,370</u>	<u>447,846</u>	<u>436,370</u>	<u>447,846</u>

The above bank loans and overdrafts are secured by fixed and floating charge over the assets of the company.

In addition, the directors Mr K and Mrs K J Lawton have provided personal guarantees securing £164,500 (2015: £164,500) of bank loans and overdrafts.

Included within bank loans and overdrafts is an amount of £1,353 (2015 £120,523) relating to invoice discounting facilities.

**26. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.16	31.3.15
			£	£
50,000	Ordinary £1	£1	50,000	50,000
300	Ordinary A, B, C	£1	300	300
400	Ordinary D, E, F, G	£1	400	400
			<u>50,700</u>	<u>50,700</u>

**27. RESERVES**

**Group**

	Retained earnings	Fair Value Reserve	Totals
	£	£	£
At 1 April 2015	164,557	144,038	308,595
Profit for the year	209,654		209,654
Dividends	(247,211)		(247,211)
At 31 March 2016	<u>127,000</u>	<u>144,038</u>	<u>271,038</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

**27. RESERVES - continued**

**Company**

	Retained earnings £	Fair Value Reserve £	Totals £
At 1 April 2015	209,850	144,038	353,888
Profit for the year	226,344		226,344
Dividends	(247,211)		(247,211)
At 31 March 2016	<u>188,983</u>	<u>144,038</u>	<u>333,021</u>

**28. RELATED PARTY DISCLOSURES**

During the year, total dividends of £247,211 were paid to the directors.

**Key management personnel of the entity or its parent (in the aggregate)**

	31.3.16 £	31.3.15 £
Amount due to related party	<u>899</u>	<u>-</u>

The balance was interest free, unsecured and repayable on demand.

**Other related parties**

	31.3.16 £	31.3.15 £
Purchases	35,000	-
Amount due from related party	<u>17,921</u>	<u>-</u>

The balance was interest free, unsecured and repayable on demand.

**29. ULTIMATE CONTROLLING PARTY**

There is no single ultimate controlling party, however the Lawton family hold 51% of the company's equity capital.

**30. FIRST YEAR ADOPTION**

The company has adopted FRS 102 for the year ended 2016 and has restated the comparative prior year amounts.

Revaluations of the company's investment property will now be administered via the income statement rather than directly to a revaluation reserve as was the case under previous UK GAAP. As a result a revaluation reserve is no longer present on the company's statement of financial position. Instead the company presents a Fair Value Reserve for the purposes of identifying the cumulative value of all such unrealised fair value adjustments.

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31 March 2016**

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**30. FIRST YEAR ADOPTION - continued**

**Transitional relief**

On transition to FRS 102, the group has taken advantage of the following transitional relief:

- to measure fair value at date of transition to FRS 102 and use as deemed cost on an investment property.



**Reconciliation of Equity**

**1 April 2014**

**(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		71,250	-	71,250
Tangible assets		38,323	-	38,323
Investments		10,000	-	10,000
Investment property		450,000	-	450,000
		<u>569,573</u>	<u>-</u>	<u>569,573</u>
<b>CURRENT ASSETS</b>				
Stocks		10,459	-	10,459
Debtors		1,308,393	-	1,308,393
Cash at bank and in hand		22,673	-	22,673
		<u>1,341,525</u>	<u>-</u>	<u>1,341,525</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(1,393,723)	-	(1,393,723)
<b>NET CURRENT LIABILITIES</b>				
		<u>(52,198)</u>	<u>-</u>	<u>(52,198)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		517,375	-	517,375
<b>CREDITORS</b>				
Amounts falling due after more than one year		(225,749)	-	(225,749)
<b>NET ASSETS</b>				
		<u>291,626</u>	<u>-</u>	<u>291,626</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		50,400	-	50,400
Revaluation reserve		144,038	(144,038)	-
Fair Value Reserve		-	144,038	144,038
Retained earnings		97,188	-	97,188
<b>SHAREHOLDERS' FUNDS</b>				
		<u>291,626</u>	<u>-</u>	<u>291,626</u>
		<u>291,626</u>	<u>-</u>	<u>291,626</u>

The notes form part of these financial statements

**Reconciliation of Equity - continued**

**31 March 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		67,500	-	67,500
Tangible assets		25,020	-	25,020
Investments		10,000	-	10,000
Investment property		450,000	-	450,000
		<u>552,520</u>	<u>-</u>	<u>552,520</u>
<b>CURRENT ASSETS</b>				
Stocks		7,423	-	7,423
Debtors		1,051,465	-	1,051,465
Cash at bank and in hand		14,026	-	14,026
		<u>1,072,914</u>	<u>-</u>	<u>1,072,914</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(1,074,380)	-	(1,074,380)
<b>NET CURRENT LIABILITIES</b>				
		<u>(1,466)</u>	<u>-</u>	<u>(1,466)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		551,054	-	551,054
<b>CREDITORS</b>				
Amounts falling due after more than one year		(191,759)	-	(191,759)
<b>NET ASSETS</b>				
		<u>359,295</u>	<u>-</u>	<u>359,295</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		50,700	-	50,700
Fair Value Reserve		144,038	-	144,038
Retained earnings		164,557	-	164,557
<b>SHAREHOLDERS' FUNDS</b>				
		<u>359,295</u>	<u>-</u>	<u>359,295</u>
		<u>359,295</u>	<u>-</u>	<u>359,295</u>

The notes form part of these financial statements

**Reconciliation of Profit**  
**for the year ended 31 March 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	5,066,315	-	5,066,315
Cost of sales	(4,231,490)	-	(4,231,490)
<b>GROSS PROFIT</b>	834,825	-	834,825
Distribution costs	(27,337)	-	(27,337)
Administrative expenses	(512,375)	-	(512,375)
Other operating income	15,100	-	15,100
<b>OPERATING PROFIT</b>	310,213	-	310,213
Profit/loss on sale of tang fa	(1,702)	-	(1,702)
Interest payable and similar expenses	(6,657)	-	(6,657)
<b>PROFIT BEFORE TAXATION</b>	301,854	-	301,854
Tax on profit	-	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	301,854	-	301,854
Profit attributable to:			
Owners of the parent	301,854	-	301,854

The notes form part of these financial statements