

Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2014
for
Trustco Plc

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Trustco Plc

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for the year ended 31 March 2014

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Trustco Plc

Company Information
for the year ended 31 March 2014

DIRECTORS: K Lawton
Mrs KJ Lawton
T E Cripps

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

Trustco Plc

Report of the Directors **for the year ended 31 March 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of supply of IT hardware, software, storage, virtualisation and associated services

The company's success lies predominantly in the mid to high end range of this arena, with our customers being profitable companies within the SME & corporate sectors. In addition we have developed sales to government and public sectors

The company also traded as commercial and domestic cleaning contractors

REVIEW OF BUSINESS

Trustco Plc is pleased to announce the completion of another year of trading which has proven our strength and stability in a challenging market. We are very pleased to announce an increase in both profits and profit margins over this trading period despite increases in competition and supply and technology consolidations across the industry

Our core team of employees have remained strong and stable and all remain committed and motivated to growing the company's strength over future years. The core business processes have also been reviewed through our ISO9001 application objectives and we were jointly very pleased to achieve a qualified status on 30th October 2013

The company's principle risk continues to be intense competition and the consolidation of both technology and manufacturers in the future. We are however seeing a positive offset due to the stronger health of the national economy and have made some successful technology relationships during the year which have proven financially rewarding and will continue in to the future

The unified sales team has managed through the market changes well and has been strengthened by the increased performance of those new to the company. Management of the team is proving successful and new senior appointments have been made and continue to be made to keep the high value experience and stability present at all times to ensure maximum customer satisfaction and retention

Investment in marketing and systems has been continued at a steady rate in line with previous years which is working to bring in new customers and an increase of product sales within existing customers

Our wholly owned subsidiary Astound Facilities Group Ltd was stabilised successfully during the trading period and we were pleased to be able to increase its profitability and retain all of its customers whilst making significant reductions to its running costs without damaging its future potential to recuperate and return satisfactory profits. The subsidiary is also currently in the process of achieving its ISO9001 status in line with its tendering objectives in 2014

Financial performance and key indicators:

The key performance and indicators are given below

	2014 (£)	2013 (£)	% Change
Turnover	5,381,640	6,017,775	(11%)
Gross Profit	726,497	670,482	8%
Operating profit/(loss)	166,573	(197,191)	185%
Net Profit/(Loss)	161,181	(217,086)	174%
Net Assets	291,626	216,499	35%

The operating results and net assets are further analysed by business segment at note 12 to these accounts and demonstrate that the company's core business in IT supplies continued to perform well during 2014. Additional detail of the company's financial position is shown in the annexed financial statements

Trustco Plc

Report of the Directors **for the year ended 31 March 2014**

An analysis of turnover by business segment is shown in note 2 to these financial statements

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2014 will be £156,734

RESEARCH AND DEVELOPMENT

Applied research and development work continues to be directed towards the introduction of new and improved products and services, the application of new technology to reduce costs and to improve service to customers remains its primary objective, while also exploring and opening up new markets and sales opportunities

FUTURE DEVELOPMENTS

An increased investment in marketing is expected to show in 2014 with the strategic appointment of a new full time Marketing Manager who will oversee the refresh of core brand messaging and customer facing media across all areas of the business

Strategic technology and vendor partnerships will be given greater investment and attention to define our core value within the market to customers and to bring them the latest and most valuable IT solutions available

With increased investment in training for the sales team on new products and new market areas which will help them to achieve higher sales figures across the board

A lot of time spent relationship building with the key distributors leading to lower cost pricing and more access to cofounded marketing campaigns and lead generation

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2013 to the date of this report unless otherwise stated

The beneficial interests of the directors holding office at 31 March 2014 in the shares of the company, according to the register of directors' interests, were as follows

	31 3 14	1 4 13 or date of appointment if later
Ordinary £1 shares of £1 each		
K Lawton	26,000	16,000
Mrs KJ Lawton	12,000	12,000
T E Cripps - appointed 4 10 13	-	-
Ordinary A, B, C, D shares of £1 each		
K Lawton	100	100
Mrs KJ Lawton	100	100
T E Cripps	100	100

These directors did not hold any non-beneficial interests in any of the shares of the company

GROUP'S POLICY ON PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contract, and
- pay in accordance with the company's contractual and other legal obligations

The company's creditor days for the year to March 2014 were 64 (2013 60)

Trustco Plc

Report of the Directors **for the year ended 31 March 2014**

GOING CONCERN

Despite a challenging year, 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 4.

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). 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 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 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 and the group'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.

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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Lucraft Hodgson & Dawes (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



Mrs KJ Lawton - Director

Date 27-08-14

Report of the Independent Auditors to the Members of Trustco Plc

We have audited the financial statements of Trustco Plc for the year ended 31 March 2014 on pages seven to thirty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 2014 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

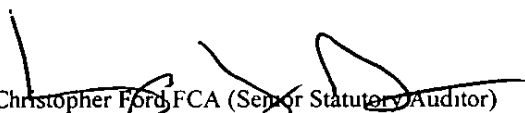
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of Trustco Plc

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

20th Dec 2014

Trustco Plc**Consolidated Profit and Loss Account
for the year ended 31 March 2014**

	Notes	31 3 14		31 3 13	
		£	£	£	£
TURNOVER	2		5,381,640		6,017,775
Continuing operations		<u>5,381,640</u>		<u>6,017,775</u>	
Cost of sales	3		<u>4,655,143</u>		<u>5,347,293</u>
GROSS PROFIT	3		726,497		670,482
Net operating expenses	3		<u>559,924</u>		<u>867,673</u>
OPERATING PROFIT/(LOSS)	6		166,573		(197,191)
Continuing operations		<u>166,573</u>		<u>(197,191)</u>	
Profit/loss on sale of operatn			-		(26,226)
Profit/loss on sale of tang fa			<u>1,333</u>		<u>-</u>
			167,906		(223,417)
Interest receivable and similar income			<u>-</u>		<u>457</u>
			167,906		(222,960)
Interest payable and similar charges	8		<u>6,045</u>		<u>10,737</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			161,861		(233,697)
Tax on profit/(loss) on ordinary activities	9		<u>-</u>		<u>(16,611)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP			<u>161,861</u>		<u>(217,086)</u>

The notes form part of these financial statements

Trustco Plc

Consolidated Statement of Total Recognised Gains and Losses
for the year ended 31 March 2014

	31 3 14 £	31 3 13 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	161,861	(217,086)
Unrealised surplus on revaluation of properties	70,000	74,038
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>231,861</u>	<u>(143,048)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these financial statements

Trustco Plc (Registered number: 03476994)

Consolidated Balance Sheet

31 March 2014

	Notes	31 3 14 £	£	31 3 13 £	£
FIXED ASSETS					
Intangible assets	14		71,250		75,000
Tangible assets	15		38,323		73,497
Investments	16		10,000		10,000
Investment property	17		450,000		380,000
			<u>569,573</u>		<u>538,497</u>
CURRENT ASSETS					
Stocks	18	10,459		26,907	
Debtors	19	1,308,393		952,446	
Cash at bank and in hand		22,673		174,872	
		<u>1,341,525</u>		<u>1,154,225</u>	
CREDITORS					
Amounts falling due within one year	20	1,393,723		1,220,099	
NET CURRENT LIABILITIES					
			<u>(52,198)</u>		<u>(65,874)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			517,375		472,623
CREDITORS					
Amounts falling due after more than one year	21		225,749		256,124
NET ASSETS					
			<u>291,626</u>		<u>216,499</u>
CAPITAL AND RESERVES					
Called up share capital	25		50,400		50,400
Revaluation reserve	26		144,038		74,038
Profit and loss account	26		97,188		92,061
SHAREHOLDERS' FUNDS					
	29		<u>291,626</u>		<u>216,499</u>

The financial statements were approved by the Board of Directors on its behalf by

31-03-2014 and were signed on



Mrs KJ Lawton - Director



K Lawton - Director

The notes form part of these financial statements

Trustco Plc (Registered number: 03476994)

Company Balance Sheet

31 March 2014

	Notes	31 3 14 £	£	31 3 13 £	£
FIXED ASSETS					
Intangible assets	14		-		75,000
Tangible assets	15		12,936		73,497
Investments	16		135,100		10,000
Investment property	17		450,000		380,000
			<u>598,036</u>		<u>538,497</u>
CURRENT ASSETS					
Stocks	18	9,459		26,907	
Debtors	19	1,218,310		952,446	
Cash at bank and in hand		9,036		174,872	
		<u>1,236,805</u>		<u>1,154,225</u>	
CREDITORS					
Amounts falling due within one year	20	1,291,622		1,220,099	
NET CURRENT LIABILITIES			<u>(54,817)</u>		<u>(65,874)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>543,219</u>		<u>472,623</u>
CREDITORS					
Amounts falling due after more than one year	21		225,749		256,124
NET ASSETS			<u>317,470</u>		<u>216,499</u>
CAPITAL AND RESERVES					
Called up share capital	25		50,400		50,400
Revaluation reserve	26		144,038		74,038
Profit and loss account	26		123,032		92,061
SHAREHOLDERS' FUNDS	29		<u>317,470</u>		<u>216,499</u>

The financial statements were approved by the Board of Directors on 27.03.2014 and were signed on its behalf by



K Lawton - Director

The notes form part of these financial statements

Trustco Plc**Consolidated Cash Flow Statement
for the year ended 31 March 2014**

	Notes	31 3 14 £	£	31 3 13 £	£
Net cash inflow/(outflow) from operating activities	1		57,803		(123,865)
Returns on investments and servicing of finance	2		(6,045)		(12,692)
Taxation			-		17,994
Capital expenditure and financial investment	2		21,349		(48,380)
Equity dividends paid			(156,734)		(120,000)
			(83,627)		(286,943)
Financing	2		(90,564)		191,005
Decrease in cash in the period			(174,191)		(95,938)
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(174,191)		(95,938)	
Cash outflow/(inflow) from decrease/(increase) in debt		94,013		(181,857)	
Change in net debt resulting from cash flows			(80,178)		(277,795)
Movement in net debt in the period			(80,178)		(277,795)
Net debt at 1 April			(354,858)		(77,063)
Net debt at 31 March			(435,036)		(354,858)

The notes form part of these financial statements

Trustco Plc

Notes to the Consolidated Cash Flow Statement
for the year ended 31 March 2014

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 3 14	31 3 13
	£	£
Operating profit/(loss)	166,573	(197,191)
Depreciation charges	28,150	58,486
Profit on disposal of fixed assets	(11,908)	-
	-	74,038
Decrease in stocks	16,448	24,360
Increase in debtors	(355,947)	(50,359)
Increase/(decrease) in creditors	214,487	(33,199)
Net cash inflow/(outflow) from operating activities	57,803	(123,865)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 3 14	31 3 13
	£	£
Returns on investments and servicing of finance		
Interest received	-	457
Interest paid	(6,045)	(8,561)
Finance costs	-	(4,588)
Net cash outflow for returns on investments and servicing of finance	(6,045)	(12,692)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,402)	(5,905)
Sale of tangible fixed assets	23,751	-
	-	(42,475)
Net cash inflow/(outflow) for capital expenditure and financial investment	21,349	(48,380)
Financing		
Loan repayments in year	(30,992)	(36,991)
Drawdown of invoice discounting facility	4,776,168	1,359,954
Repayments of invoice discounting	(4,836,235)	(1,127,689)
Amount introduced by directors	133,900	195,200
Amount withdrawn by directors	(133,405)	(199,469)
Net cash (outflow)/inflow from financing	(90,564)	191,005

The notes form part of these financial statements

Trustco Plc

Notes to the Consolidated Cash Flow Statement
for the year ended 31 March 2014

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 13 £	Cash flow £	At 31 3 14 £
Net cash			
Cash at bank and in hand	174,872	(152,199)	22,673
Bank overdrafts	(6,878)	(21,992)	(28,870)
	<u>167,994</u>	<u>(174,191)</u>	<u>(6,197)</u>
Debt			
Debts falling due within one year	(266,728)	63,638	(203,090)
Debts falling due after one year	(256,124)	30,375	(225,749)
	<u>(522,852)</u>	<u>94,013</u>	<u>(428,839)</u>
Total	<u>(354,858)</u>	<u>(80,178)</u>	<u>(435,036)</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the year ended 31 March 2014

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards

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 2014. 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.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration.

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 twenty 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 shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP19.

If the departure from the act had not been made, the loss for the year would have remained the same.

Trustco Plc

Notes to the Consolidated Financial Statements - continued **for the year ended 31 March 2014**

1 ACCOUNTING POLICIES - continued

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Investments

Fixed asset investments are stated at cost less provision for impairment

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

Despite the company's net current liabilities at 31 March 2014, these financial statements have been prepared on a going concern basis as the directors are satisfied that the company will have sufficient financial 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

2 TURNOVER

The turnover and profit (2013 - loss) 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 14	31 3 13
	£	£
Supply of IT goods and service	5,015,971	5,565,190
Facilities management services	365,669	452,585
	<u>5,381,640</u>	<u>6,017,775</u>

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**2 TURNOVER - continued**

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	5,015,971	5,015,971
Facilities management services	365,669	0 00
	5,381,640	5,015,971

3 ANALYSIS OF OPERATIONS

	Continuing £	31 3 14 Acquisitions £	Total £
Cost of sales	<u>4,655,143</u>	<u>-</u>	<u>4,655,143</u>
Gross profit	<u>726,497</u>	<u>-</u>	<u>726,497</u>
Net operating expenses			
Distribution costs	29,244	-	29,244
Administrative expenses	549,598	-	549,598
Other operating income	(18,918)	-	(18,918)
	<u>559,924</u>	<u>-</u>	<u>559,924</u>
	Continuing £	31 3 13 Acquisitions £	Total £
Cost of sales	<u>5,347,293</u>	<u>-</u>	<u>5,347,293</u>
Gross profit	<u>670,482</u>	<u>-</u>	<u>670,482</u>
Net operating expenses			
Distribution costs	65,810	-	65,810
Administrative expenses	806,880	-	806,880
Other operating income	(5,017)	-	(5,017)
	<u>867,673</u>	<u>-</u>	<u>867,673</u>

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**4 STAFF COSTS**

	31 3 14	31 3 13
	£	£
Wages and salaries	453,703	428,243
Social security costs	38,501	42,621
	<u>492,204</u>	<u>470,864</u>

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

	31 3 14	31 3 13
Sales	6	4
Technical	2	2
Administration	4	6
	<u>12</u>	<u>12</u>

5 DIRECTORS' EMOLUMENTS

	31 3 14	31 3 13
	£	£
Directors' remuneration	<u>28,953</u>	<u>16,087</u>

6 OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging/(crediting)

	31 3 14	31 3 13
	£	£
Hire of plant and machinery	6,670	3,783
Other operating leases	56,295	62,826
Depreciation - owned assets	24,400	40,746
Profit on disposal of fixed assets	(10,575)	-
Goodwill amortisation	3,750	17,740
Foreign exchange differences	<u>(1,267)</u>	<u>-</u>

7 AUDITORS' REMUNERATION

	31 3 14	31 3 13
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	4,000	5,010
Auditors' remuneration for non audit work	<u>4,610</u>	<u>2,620</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 14	31 3 13
	£	£
Bank loan interest	<u>6,045</u>	<u>10,737</u>

Trustco Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 March 2014

9 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	31 3 14 £	31 3 13 £
Current tax		
No description	-	(806)
Deferred tax	-	(15,805)
Tax on profit/(loss) on ordinary activities	-	(16,611)

Factors affecting the tax credit

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 14 £	31 3 13 £
Profit/(loss) on ordinary activities before tax	161,861	(233,697)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	32,372	(46,739)
Effects of		
Expenses not deductible for tax purposes	2,018	1,953
Depreciation in excess of capital allowances	2,135	6,182
Utilisation of tax losses	(3,588)	-
Adjustments to tax charge in respect of previous periods	-	(806)
Research and Development tax credits	(37,239)	(33,797)
Tax losses carried forward	4,302	72,401
Current tax credit	-	(806)

Factors that may affect future tax charges

At the balance sheet date the company has a potential deferred tax asset of £77,805 (Company £69,153, 2013 £61,279) in relation to accrued tax losses carried forward. The recovery of this asset is dependent upon the realisation of suitable taxable profits from which the underlying timing differences can be recovered. This asset has not been recognised in these financial statements due to the uncertain timing of its release.

No deferred tax has been recognised in respect of the revaluation gain of the investment property. In the event of the asset being sold at the net book value (£450,000) it is estimated that the tax liability would amount to £627 (2013 £Nil).

10 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £187,705 (2013 - £(217,086) loss).

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**11 DIVIDENDS**

	31 3 14	31 3 13
	£	£
Ordinary £1 shares of £1 each		
Interim	133,900	120,000
Ordinary A, B, C, D shares of £1 each		
Interim	22,834	-
	<u>156,734</u>	<u>120,000</u>

12 RESEARCH AND DEVELOPMENT

During the year an amount of £178,564 (2013 £181,793) was charged to the profit and loss account in respect of research and development activities

13 SEGMENTAL INFORMATION

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

	2014	2014	2013	2013
	IT Supplies	Facilities Management	IT Supplies	Facilities Management
Operating profit/(loss)	192,417	(25,844)	135,725	(332,916)
Net Assets/ (Liabilities)	317,470	(25,844)	367,493	(150,994)

14 INTANGIBLE FIXED ASSETS**Group**

	Goodwill
	£
COST	
At 1 April 2013	98,654
Additions	75,000
Disposals	(98,654)
At 31 March 2014	<u>75,000</u>
AMORTISATION	
At 1 April 2013	23,654
Amortisation for year	3,750
Eliminated on disposal	(23,654)
At 31 March 2014	<u>3,750</u>
NET BOOK VALUE	
At 31 March 2014	<u>71,250</u>
At 31 March 2013	<u>75,000</u>

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**14 INTANGIBLE FIXED ASSETS - continued****Company**

	Goodwill £
COST	
At 1 April 2013	98,654
Disposals	(98,654)
At 31 March 2014	-
AMORTISATION	
At 1 April 2013	23,654
Eliminated on disposal	(23,654)
At 31 March 2014	-
NET BOOK VALUE	
At 31 March 2014	-
At 31 March 2013	75,000

There was no charge to impairment of intangible fixed assets during the year, (2013 £78,747)

15 TANGIBLE FIXED ASSETS**Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2013	63,142	31,074	28,098	58,919	181,233
Additions	26,091	6,290	7,962	12,842	53,185
Disposals	(55,873)	(8,542)	(19,603)	(17,314)	(101,332)
At 31 March 2014	33,360	28,822	16,457	54,447	133,086
DEPRECIATION					
At 1 April 2013	25,860	24,139	21,431	36,306	107,736
Charge for year	10,484	2,725	2,824	8,367	24,400
Eliminated on disposal	(17,356)	(2,609)	(12,936)	(4,472)	(37,373)
At 31 March 2014	18,988	24,255	11,319	40,201	94,763
NET BOOK VALUE					
At 31 March 2014	14,372	4,567	5,138	14,246	38,323
At 31 March 2013	37,282	6,935	6,667	22,613	73,497

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**15 TANGIBLE FIXED ASSETS - continued****Company**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2013	63,142	31,074	28,098	58,919	181,233
Additions	-	-	1,295	-	1,295
Disposals	(36,110)	(8,542)	(19,603)	(17,314)	(81,569)
At 31 March 2014	27,032	22,532	9,790	41,605	100,959
DEPRECIATION					
At 1 April 2013	25,860	24,139	21,431	36,306	107,736
Charge for year	6,209	501	324	4,038	11,072
Eliminated on disposal	(10,768)	(2,609)	(12,936)	(4,472)	(30,785)
At 31 March 2014	21,301	22,031	8,819	35,872	88,023
NET BOOK VALUE					
At 31 March 2014	5,731	501	971	5,733	12,936
At 31 March 2013	37,282	6,935	6,667	22,613	73,497

16 FIXED ASSET INVESTMENTS**Group**

	Unlisted investments £
COST	
At 1 April 2013 and 31 March 2014	10,000
NET BOOK VALUE	
At 31 March 2014	10,000
At 31 March 2013	10,000

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**16 FIXED ASSET INVESTMENTS - continued****Company**

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 1 April 2013	-	10,000	10,000
Additions	125,100	-	125,100
At 31 March 2014	125,100	10,000	135,100
NET BOOK VALUE			
At 31 March 2014	125,100	10,000	135,100
At 31 March 2013	-	10,000	10,000

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary**Astound Facilities Group Limited**

Nature of business Commercial cleaning contractors

Class of shares	% holding	
Ordinary	100.00	31.3.14
		£
Aggregate capital and reserves		125,100
Loss for the year		(25,844)

17 INVESTMENT PROPERTY**Group**

	Total £
COST OR VALUATION	
At 1 April 2013	380,000
Revaluations	70,000
At 31 March 2014	450,000
NET BOOK VALUE	
At 31 March 2014	450,000
At 31 March 2013	380,000

Trustco Plc

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2014

17 INVESTMENT PROPERTY - continued

Group

Cost or valuation at 31 March 2014 is represented by

	£
Valuation in 2013	380,000
Valuation in 2014	70,000
	<u>450,000</u>

Company

	Total £
COST OR VALUATION	
At 1 April 2013	380,000
Revaluations	70,000
	<u>450,000</u>
At 31 March 2014	<u>450,000</u>
NET BOOK VALUE	
At 31 March 2014	<u>450,000</u>
At 31 March 2013	<u>380,000</u>

Cost or valuation at 31 March 2014 is represented by

	£
Valuation in 2013	380,000
Valuation in 2014	70,000
	<u>450,000</u>

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

	31 3 14	31 3 13
	£	£
Cost	<u>374,762</u>	<u>374,762</u>
Aggregate depreciation	<u>(76,295)</u>	<u>(68,799)</u>

Investment property was valued on an open market basis on 31 March 2014 by Fox & Sons, independent agents

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

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**18 STOCKS**

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Stocks	<u>10,459</u>	<u>26,907</u>	<u>9,459</u>	<u>26,907</u>

19 DEBTORS

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Amounts falling due within one year				
Trade debtors	996,799	769,619	867,583	769,619
Amounts owed by group undertakings	-	-	67,460	-
Other debtors	122,045	86,009	116,045	86,009
Prepayments and accrued income	174,849	96,818	167,222	96,818
	<u>1,293,693</u>	<u>952,446</u>	<u>1,218,310</u>	<u>952,446</u>

Amounts falling due after more than one year

Other debtors	<u>14,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Aggregate amounts	<u>1,308,393</u>	<u>952,446</u>	<u>1,218,310</u>	<u>952,446</u>
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20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Bank loans and overdrafts (see note 22)	231,960	273,606	231,960	273,606
Payments on account	2,031	1,843	2,031	1,843
Trade creditors	977,208	785,559	897,500	785,559
Social security and other taxes	13,410	17,155	13,102	17,155
VAT	54,570	36,760	40,069	36,760
Other creditors	42,237	6,478	42,237	6,478
Credit cards	14,226	19,109	9,719	19,109
Directors' loan accounts	4,937	4,342	4,860	4,342
Accruals and deferred income	53,144	75,247	50,144	75,247
	<u>1,393,723</u>	<u>1,220,099</u>	<u>1,291,622</u>	<u>1,220,099</u>

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**21 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Bank loans (see note 22)	<u>225,749</u>	<u>256,124</u>	<u>225,749</u>	<u>256,124</u>

22 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	28,870	6,878	28,870	6,878
Bank loans	<u>203,090</u>	<u>266,728</u>	<u>203,090</u>	<u>266,728</u>
	<u>231,960</u>	<u>273,606</u>	<u>231,960</u>	<u>273,606</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>31,682</u>	<u>31,906</u>	<u>31,682</u>	<u>31,906</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>53,206</u>	<u>65,103</u>	<u>53,206</u>	<u>65,103</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>140,861</u>	<u>159,115</u>	<u>140,861</u>	<u>159,115</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

23 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

Group	Land and buildings		Other operating leases	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Expiring				
Within one year	-	-	966	7,546
Between one and five years	15,140	11,000	18,063	6,933
In more than five years	<u>28,900</u>	<u>30,213</u>	-	-
	<u>44,040</u>	<u>41,213</u>	<u>19,029</u>	<u>14,479</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2014

23 OPERATING LEASE COMMITMENTS - continued

Company

	Land and buildings		Other operating leases	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Expiring				
Within one year	-	-	-	7,546
Between one and five years	8,340	11,000	12,387	6,933
In more than five years	28,900	30,213	-	-
	<u>37,240</u>	<u>41,213</u>	<u>12,387</u>	<u>14,479</u>

24 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	31 3 14	31 3 13	31 3 14	31 3 13
	£	£	£	£
Bank loans and overdraft	<u>457,709</u>	<u>-</u>	<u>457,709</u>	<u>529,730</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 (Group £164,500, 2013 £164,500) of bank loans and overdrafts

Included within bank loans and overdrafts is an amount of £172,198 (Group 172,198, 2013 £235,265) relating to invoice discounting facilities

25 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	31 3 14	31 3 13
			£	£
50,000	Ordinary £1	£1	50,000	50,000
400	Ordinary A, B, C, D	£1	400	400
			<u>50,400</u>	<u>50,400</u>

Trustco Plc**Notes to the Consolidated Financial Statements - continued**
for the year ended 31 March 2014**26 RESERVES****Group**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2013	92,061	74,038	166,099
Profit for the year	161,861		161,861
Dividends	(156,734)		(156,734)
No description	-	70,000	70,000
At 31 March 2014	<u>97,188</u>	<u>144,038</u>	<u>241,226</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2013	92,061	74,038	166,099
Profit for the year	187,705		187,705
Dividends	(156,734)		(156,734)
No description	-	70,000	70,000
At 31 March 2014	<u>123,032</u>	<u>144,038</u>	<u>267,070</u>

Trustco Plc

Notes to the Consolidated Financial Statements - continued **for the year ended 31 March 2014**

27 RELATED PARTY DISCLOSURES

Loans from directors

During the year under review the company received a loan from Mr K Lawton, a director The outstanding amounts were as follows

	Group £	Company £
At the start of the year	201	201
At the end of the year	1,494	1,433
Maximum outstanding during the year	88,366	88,427

The loan was interest free, unsecured and repayable on demand

During the year under review the company received a loan from Mrs K Lawton, a director The outstanding amounts were as follows

	Group £	Company £
At the start of the year	4,141	4,141
At the end of the year	3,428	3,428
Maximum outstanding during the year	44,955	44,955

The loan was interest free, unsecured and repayable on demand

During the year under review the company received a loan from Mr M Poole, a director of Astound Facilities Group Limited The outstanding amounts were as follows

	Group £	Company £
At the start of the year	0	0
At the end of the year	16	16
Maximum outstanding during the year	7,000	7,000

The loan was interest free, unsecured and repayable on demand

Dividends paid to directors

During the year dividends were paid to the directors and their families in the amount of £156,834 (Group £156,734, 2013 £120,000) by virtue of their interest in the company's ordinary share capital The directors concerned were Mr K Lawton, Mrs K Lawton and Mr T Cripps

Lawton and Dawe Properties Limited

Trustco Plc

Notes to the Consolidated Financial Statements - continued **for the year ended 31 March 2014**

During the year the company provided a loan to and traded with Lawton and Dawe Properties Limited where Mrs K Lawton is also a director. The details concerned were as follows:

<u>Loans</u>	Group £	Company £
Outstanding at the start of the year	43,895	43,895
Outstanding at the end of the year	47,858	47,858
Maximum outstanding during the year	47,858	47,858
<u>Trading</u>		
Goods and Services sold	2,192	2,192
Trade debts outstanding at the end of the year	165	165

The loan was interest free, unsecured and repayable on demand. The services sold were undertaken on an arms length basis.

During the year the company held an operating lease agreement for a vehicle used by Lawton and Dawe Properties Ltd. The lease rentals are charged to the Lawton and Dawe Properties Ltd loan account and are not charged to the profit and loss account for the period under review. The amount due in respect of this agreement is included within the operating lease commitments note to these accounts and the maximum potential liability at the balance sheet date in respect of this agreement was £3,260 (Group £3,260, 2013 £2,392).

Trustco Media Limited

During the year the company provided a loan to Trustco Media Limited where Mr K Lawton is also a director and material shareholder. The details concerned were as follows:

<u>Loans</u>	Group £	Company £
Outstanding at the start of the year	33,957	33,957
Outstanding at the end of the year	34,438	34,438
Maximum outstanding during the year	34,438	34,438

The above loan was interest free, unsecured and repayable on demand.

28 ULTIMATE CONTROLLING PARTY

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

Trustco Plc

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2014

29 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31 3 14	31 3 13
	£	£
Profit/(loss) for the financial year	161,861	(217,086)
Dividends	(156,734)	(120,000)
	<u>5,127</u>	<u>(337,086)</u>
Other recognised gains and losses relating to the year (net)	70,000	74,038
	<u>75,127</u>	<u>(263,048)</u>
Net addition/(reduction) to shareholders' funds	75,127	(263,048)
Opening shareholders' funds	216,499	479,547
	<u>291,626</u>	<u>216,499</u>
Closing shareholders' funds	291,626	216,499

Company

	31 3 14	31 3 13
	£	£
Profit/(loss) for the financial year	187,705	(217,086)
Dividends	(156,734)	(120,000)
	<u>30,971</u>	<u>(337,086)</u>
Other recognised gains and losses relating to the year (net)	70,000	74,038
	<u>100,971</u>	<u>(263,048)</u>
Net addition/(reduction) to shareholders' funds	100,971	(263,048)
Opening shareholders' funds	216,499	479,547
	<u>317,470</u>	<u>216,499</u>
Closing shareholders' funds	317,470	216,499

Trustco Plc**Consolidated Trading and Profit and Loss Account
for the year ended 31 March 2014**

	31 3 14		31 3 13	
	£	£	£	£
Turnover				
Sales	5,015,971		5,565,190	
Contracts	365,669		452,585	
		5,381,640		6,017,775
Cost of sales				
Opening stock	26,907		51,267	
Purchases	4,077,488		4,719,069	
Wages	263,551		260,429	
Social security	24,326		27,425	
Hire of plant and machinery	6,670		3,783	
Sub contractors	210,646		166,033	
Commissions payable	56,014		146,194	
	4,665,602		5,374,200	
Closing stock	(10,459)		(26,907)	
		4,655,143		5,347,293
GROSS PROFIT		726,497		670,482
Other income				
Rents received	8,343		5,017	
Profit on sale of tangible fixed assets	10,575		-	
Deposit account interest	-		457	
		18,918		5,474
		745,415		675,956
Expenditure				
Other operating leases	12,419		12,402	
Carriage	16,825		20,669	
Motor expenses	-		30,239	
Depreciation of tangible fixed assets				
Motor vehicles	-		2,500	
Directors' salaries	28,953		14,352	
Directors' social security	-		438	
Wages	161,199		153,462	
Social security	14,175		14,758	
Rent	35,646		36,611	
Other establishment costs	7,252		7,820	
Cleaning	5,391		5,457	
Rates and water	13,125		16,234	
Light and heat	8,795		9,689	
Repairs to property	4,724		4,616	
Amortisation of intangible fixed assets	3,750		-	
Depreciation of tangible fixed assets	24,400		38,246	
Impairment losses for intangible fixed assets	-		78,747	
Other operating leases	8,230		13,813	
Staff training & welfare	4,120		10,162	
Carried forward	349,004	745,415	470,215	675,956

This page does not form part of the statutory financial statements

Trustco Plc**Consolidated Trading and Profit and Loss Account
for the year ended 31 March 2014**

	31 3 14		31 3 13	
	£	£	£	£
Brought forward	349,004	745,415	470,215	675,956
Telephone	15,723		17,587	
Post and stationery	3,730		4,651	
Advertising	70,278		76,974	
Travelling	6,559		5,390	
Motor expenses	27,595		11,723	
Entertainment	8,740		9,127	
Licences and insurance	16,773		18,282	
Subscriptions	806		1,409	
Repairs and renewals	-		3,240	
Software	27,413		37,645	
Sundry expenses	49		-	
Accountancy	-		100	
Bad debts	4,513		4,005	
Legal fees	1,925		2,406	
Consultancy	7,580		13,597	
Management services	-		153,707	
Auditors' remuneration	4,000		5,010	
Auditors' remuneration for non audit work	4,610		2,620	
Donations	175		-	
Foreign exchange losses	(1,267)		-	
Amortisation of intangible fixed assets				
Goodwill	-		17,740	
		548,206		855,428
		197,209		(179,472)
Finance costs				
Bank charges	30,636		17,262	
Bank loan interest	6,045		10,737	
		36,681		27,999
		160,528		(207,471)
Exceptional items				
Profit/loss on sale of operatn	-		(26,226)	
Profit/loss on sale of tang fa	1,333		-	
		1,333		(26,226)
NET PROFIT/(LOSS)		161,861		(233,697)

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