

Registered Number : 1636508

THE WEST OF ENGLAND TRUST LIMITED

YEAR ENDED 31 MARCH 2013

TUESDAY



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THE WEST OF ENGLAND TRUST LIMITED
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INFORMATION

Board of Directors

Richard Templeton (Chairman)
H Gerard M Leighton (Deputy Chairman)
Ian A Harbottle
Paul B Heal
Nicholas W S Owen
Paul N Randall
Michael Whitwell

Secretary

Ian A Harbottle

Head Office and Registered Office

21 St Thomas Street, Bristol, BS1 6JS

Registered Number

1636508

Independent Auditors

PricewaterhouseCoopers LLP, Bristol

Bankers

Barclays Bank PLC



THE WEST OF ENGLAND TRUST LIMITED
REPORT OF THE DIRECTORS

The Directors present their Report and Audited Consolidated Financial Statements for year ended 31st March 2013

Principal Activities and Business Review

Details of the Group activities, set out on pages 2 to 6, and a review of the year, including details of key financial performance indicators, is covered in the Chairman's Statement on page 7

Results and Dividends

The results of the Group for the year and the Directors' recommendations for the appropriation of the profit are set out in the Consolidated Profit and Loss Account on page 9

Directors

The Directors listed on page 1 have served during the year

Independent Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors will be put to the members at the Annual General Meeting

Employee Involvement

The Group aims to involve all employees in its performance and development, including achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Group, by providing employees with information about the business, within the bounds of commercial confidentiality. A significant number of employees are shareholders in the parent company. Employees and their representatives are consulted on a regular basis so that the views of the employees can be taken into account when making decisions which are likely to affect their interests.

Disabled Employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled. Where existing employees become disabled, it is the Group's policy to provide, wherever possible, continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

Post Balance Sheet Events

The directors have paid a further Interim Dividend in respect of the year of 110p per share (total 160p). This dividend has not been accounted for within the current year's financial statements as at the balance sheet date it had yet to be declared and approved.

Financial Risk Management

Price risk The group operates in a competitive market particularly in respect of price and its risk to our margins. In order to mitigate this, the Group has made significant investment in software and marketing and is alert to market developments.

Cash flow and liquidity risk The group has strong cash balances which it manages through money market deposits with UK banking institutions to maximise returns.

Credit risk The group has no significant credit risks, there are policies in place regarding the credit worthiness of customers to mitigate any risk.

Foreign exchange risk The group is exposed to fluctuations in the Euro and US Dollar on overseas activities and subsidiaries however, the group has the ability to time its transactions to mitigate the risk.

Statement of Disclosure of Information to Auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps (such as making enquiries of other directors and the auditors and other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

21 St Thomas Street
Bristol
BS1 6JS

23rd October, 2013



By Order of the Board
I A Harbottle
Secretary

THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Turnover	2	25,151	26,153
Cost of sales		<u>(14,942)</u>	<u>(15,207)</u>
Gross profit		10,209	10,946
Distribution costs		(630)	(607)
Administrative expenses		<u>(6,603)</u>	<u>(6,263)</u>
Operating profit	3	2,976	4,076
Interest receivable		202	141
Other finance income	21	<u>156</u>	<u>4</u>
Profit on ordinary activities before taxation		3,334	4,221
Tax on profit on ordinary activities	6	<u>(408)</u>	<u>(762)</u>
Profit for the financial year	15	2,926	3,459
Dividends paid	7	<u>(1,659)</u>	<u>(2,007)</u>
Retained profit for the financial year		1,267	1,452
Released from revaluation reserve		<u>32</u>	<u>32</u>
Transfer to revenue reserve		<u>1,299</u>	<u>1,484</u>

All results arise from continuing operations. The differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents are referred to in note 9.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES**

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		2,926	3,459
Actuarial gain/(loss) on defined benefit pension scheme	21	66	(1,285)
Movement on deferred tax relating to pension scheme	16	(311)	112
Exchange difference on translation of net assets of subsidiary undertaking		<u>14</u>	<u>(5)</u>
Total recognised gains and losses relating to the financial year		<u>2,695</u>	<u>2,281</u>

The related notes 1 to 21 form part of these financial statements

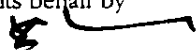
THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED BALANCE SHEET

As at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed Assets			
Intangible Assets	8	14	15
Tangible Assets	9	<u>2,576</u>	<u>2,648</u>
		<u>2,590</u>	<u>2,663</u>
Current Assets			
Stocks	11	326	368
Debtors	12	6,388	5,913
Cash at bank and in hand		<u>11,030</u>	<u>11,169</u>
		<u>17,744</u>	<u>17,450</u>
Creditors			
Amounts falling due within one year	13	<u>(9,561)</u>	<u>(9,588)</u>
Net Current Assets		<u>8,183</u>	<u>7,862</u>
Total Assets less Current Liabilities		<u>10,773</u>	<u>10,525</u>
Net Assets excluding net pension liability		10,773	10,525
Net pension liability	21	<u>(767)</u>	<u>(1,712)</u>
Net assets including net pension liability		<u>10,006</u>	<u>8,813</u>
Capital and Reserves			
Called up Share Capital	14	1,078	1,078
Capital Redemption Reserve		716	716
Share Premium Account		19	19
Revaluation Reserve	15	1,513	1,545
Profit and Loss Account	15	<u>6,680</u>	<u>5,455</u>
Total Shareholders' Funds	15	<u>10,006</u>	<u>8,813</u>

The financial statements on pages 8 to 27 were approved by the Board on 23rd October, 2013 and signed on its behalf by

Richard Templeton
H Gerard M Leighton
Directors


H Gerard M. Leighton

The related notes 1 to 21 form part of these financial statements

Company registered in England no 1636508

THE WEST OF ENGLAND TRUST LIMITED
COMPANY BALANCE SHEET

As at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed Assets			
Tangible Assets	9	1,856	1,896
Investments - subsidiaries	10	<u>5,658</u>	<u>5,805</u>
		7,514	7,701
Current Assets			
Debtors	12	451	538
Cash at bank		<u>9,401</u>	<u>8,793</u>
		9,852	9,331
Creditors			
Amounts falling due within one year	13	<u>(4,970)</u>	<u>(4,889)</u>
Net Current Assets		<u>4,882</u>	<u>4,442</u>
Total Assets less Current Liabilities		<u>12,396</u>	<u>12,143</u>
Net Assets excluding net pension liability		12,396	12,143
Net pension liability	21	<u>(767)</u>	<u>(1,712)</u>
Net Assets including net pension liability		<u>11,629</u>	<u>10,431</u>
Capital and Reserves			
Called up Share Capital	14	1,078	1,078
Capital Redemption Reserve		716	716
Share Premium Account		19	19
Revaluation Reserve	15	2,553	2,732
Profit and Loss Account	15	<u>7,263</u>	<u>5,886</u>
Total Shareholders' Funds	15	<u>11,629</u>	<u>10,431</u>

The financial statements on pages 8 to 27 were approved by the Board on 23rd October, 2013 and signed on its behalf by

Richard Templeton
H Gerard M Leighton
Directors

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[Handwritten signature of H Gerard M Leighton]

The related notes 1 to 21 form part of these financial statements

THE WEST OF ENGLAND TRUST LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Net Cash Inflow from Operating Activities	17(a)	2,577	3,993
Return on Investments and Servicing of Finance	17(b)	202	141
Taxation		(838)	(679)
Capital expenditure	17(c)	(348)	(515)
Equity Dividends paid		<u>(1,659)</u> (66)	<u>(2,007)</u> 933
Financing			
Purchase of own shares in year	15	<u>(73)</u>	<u>(15)</u>
(Decrease) Increase in cash in the year		<u>(139)</u>	<u>918</u>
Reconciliation of Net Cash flow to Movement in Net Funds			
(Decrease) Increase in cash		<u>(139)</u>	<u>918</u>
Movement in Net Funds		(139)	918
Net Funds at 1 April 2012/2011	17(d)	<u>11,169</u>	<u>10,251</u>
Net Funds at 31 March 2013/2012	17(d)	<u>11,030</u>	<u>11,169</u>

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

(a) Accounting Convention

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, on a going concern basis and under the historical cost convention adjusted to include the revaluation of certain assets. The principal accounting policies are set out below and have been applied consistently throughout the year.

(b) Stocks

Stock and work in progress have been valued at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads where appropriate. Net realisable value is the estimated proceeds from the sale of stock, less all further costs of completion, and less all costs to be incurred in marketing, selling and distributing directly related to the items in question.

(c) Intangible Fixed Assets

The cost of goodwill and intellectual property rights in respect of publications acquired is amortised through the profit and loss account over the Directors' estimate of their useful lives up to a maximum of 20 years on a straight-line basis.

The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

(d) Goodwill

Goodwill is the difference between the cost of an acquired entity and the value of that entity's identifiable assets and liabilities.

Goodwill arising on acquisitions prior to 31 March 1998 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of FRS10 'Goodwill and intangible assets', and will be credited to the Profit and Loss Account in the event of disposal.

Refer to note (c) above regarding positive goodwill of publishing titles acquired.

(e) Tangible Fixed Assets

Tangible fixed assets are shown at historic cost or valuation less accumulated depreciation. There has been no change in circumstances necessitating an impairment review under FRS 11 'impairment of fixed assets and goodwill'. Certain land and buildings are held at revalued amounts, see note 9.

(f) Depreciation

Tangible fixed assets are depreciated on a straight line basis over the following periods:

Motor Vehicles	4 years	Short Leaseholds	Lease term
Plant and Equipment	3 to 10 years	Freehold Buildings	50 years from revaluation

(g) Leased equipment

Rentals in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting Policies (continued)

- (h) Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary.

- (i) Consolidation

The consolidated Profit and Loss Account and Balance Sheet incorporate the financial statements of the parent company and its subsidiary undertakings for the year ended 31 March 2013/2012. All subsidiary undertakings are wholly owned companies and are referred to as 'companies' in these accounts. No profit and loss account is presented for The West of England Trust Limited as permitted by section 408 of the Companies Act 2006. Uniform accounting policies are applied across the group. Inter company transactions and balances between group companies are eliminated.

- (j) Investment in subsidiary undertakings

The investment in trading subsidiary companies is revalued to equate to the net asset value of those companies.

- (k) Pension costs

For the defined benefit scheme the amounts charged to operating profit are the current service costs, past service costs and gains and losses on settlement and curtailment and they are included as part of staff costs. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded with the assets of the scheme held separately from those of the Company, in trustee administered funds. Pension scheme assets are measured at market value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on sterling AA corporate bonds of similar duration to the mean term of the liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date under FRS17 'retirement benefits'. The resulting defined benefit asset or liability, net of related deferred tax, is presented separately on the face of the balance sheet.

For the stakeholder pension scheme the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits are the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

- (l) Foreign Currencies

Monetary assets and liabilities and the results of subsidiaries in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies are taken to reserves and are reported in the Statement of Total Recognised Gains and Losses.

2 Turnover

Turnover comprises amounts receivable for goods and services, exclusive of value added tax. The value of goods and services exported during the year amounted to £7,085,833 (2012 £7,199,723). Of this turnover £3,773,169 (2012 £4,225,695) was to Europe and £3,312,664 (2012 £2,974,028) was to the rest of the world. Further analysis is not given, since it is considered prejudicial to the interests of the Group. Turnover comprised of products is recognised on despatch of the related goods to the customer. Turnover comprised of services is recognised only when performance of the related services gives the group the right to consideration.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

3. Operating Profit

Operating profit is stated after charging

	2013 £'000	2012 £'000
Depreciation on owned assets	438	404
Amortisation of goodwill	1	2
Hire of plant and equipment	42	43
Operating lease charges - land and buildings	514	275
Profit on disposal of fixed assets	(18)	-

3a. Services provided by the company's auditor and its associates

	2013 £'000	2012 £'000
Fees payable to the company's auditor for		
Audit of the parent and consolidated accounts	11	12
Audit of the company's UK subsidiaries pursuant to legislation	29	25
Audit of the company's foreign subsidiaries pursuant to legislation	32	39
Audit of the defined benefit pension scheme	7	9
	<u>79</u>	<u>85</u>

4 Employees

	2013 No	2012 No
Average monthly number of employees		
Production	180	174
Sales and distribution	29	28
Administration	43	44
	<u>252</u>	<u>246</u>
	2013 £'000	2012 £'000
Employee costs during the year		
Wages and salaries	7,995	8,006
Social security costs	840	773
Pension costs	687	589
	<u>9,522</u>	<u>9,368</u>

5 Directors' Emoluments

	2013 £'000	2012 £'000
Fees	152	127
Other emoluments	118	120
Aggregate emoluments	<u>270</u>	<u>247</u>

Highest Paid Director

The highest paid director received emoluments of £87,297 (2012 £86,812) and had an accrued annual pension estimated at £42,246 at 31st March 2013 (2012 £41,549). No other directors accrued benefits under defined benefit pension schemes during the year.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

6. Tax on Profit on ordinary activities

(a) Current tax charge

	2013 £'000	2012 £'000
UK corporation tax at 24% (2012 26%)	386	755
Adjustments in respect of previous periods	(14)	(29)
Foreign tax	36	36
Total current tax (Note 6b)	<u>408</u>	<u>762</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK for the year ended 31st March 2013 of 24% (2012 26%). The differences are explained below

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>3,334</u>	<u>4,221</u>
Tax on ordinary activities at standard rate 24% (2012 26%)	800	1,098
Effects of		
Expenses not deductible for tax purposes	51	44
Capital allowances in excess of depreciation	-	(22)
Depreciation in excess of capital allowances	16	0
Adjustments in respect of previous periods	(14)	(29)
Lower tax on foreign earnings	(157)	(65)
Losses Unrelieved	-	46
Non taxable income	<u>(288)</u>	<u>(310)</u>
	<u>408</u>	<u>762</u>

(c) Factors that may affect future tax charges

Based on current investment plans the Group does not expect capital allowances to be materially in excess of depreciation in future years. The group has used available tax losses and does not carry any significant trading losses forward. No provision has been made for deferred tax on gains recognised on the revaluation of property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £317,198 (2012 £358,572). At present it is not envisaged that any tax will become payable in the foreseeable future.

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1st April 2012.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

7 Dividends

	2012/13 £'000	2011/12 £'000
Dividends paid on all classes of shares as follows		
9th August 2012		
10% 'A' Ordinary, Ordinary and Deferred 105p per share	1,120	-
1st August 2011		
10% 'A' Ordinary, Ordinary and Deferred 133p per share	-	1,420
4th October 2011		
10% 'A' Ordinary and Ordinary 5p per share	-	32
1st December 2011		
Deferred 5p per share	-	21
27th February 2013		
10% 'A' Ordinary, Ordinary and Deferred 50p per share	539	-
17th February 2012		
10% 'A' Ordinary, Ordinary and Deferred 50p per share	-	534
	<u>1,659</u>	<u>2,007</u>

The directors have paid a further Interim Dividend in respect of the year of 110p per share. This dividend has not been accounted for within the financial statements as at the balance sheet date it had yet to be declared and approved.

8. Fixed Assets - Intangible (Goodwill and Intellectual Property Rights)
Group

	2013 £'000	2012 £'000
Cost at beginning and end of year	<u>562</u>	<u>562</u>
Amortisation at beginning of year	547	545
Charge for year - Goodwill	1	2
Accumulated amortisation at end of year	<u>548</u>	<u>547</u>
Net book value		
at 31st March 2013/2012	<u>14</u>	<u>15</u>
at 31st March 2012/2011	<u>15</u>	<u>17</u>

The cost of goodwill and intellectual property rights in respect of publications acquired is being amortised over the directors' estimate of useful life, commencing in the period when they began to deplete. In no case does the period of amortisation exceed 20 years.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

9 Fixed Assets - Tangible Group

	Freehold Property £'000	Leasehold Property £'000	Plant & Machinery £'000	Total £'000
Cost or valuation at beginning of year	2,750	279	3,621	6,650
Additions	-	6	380	386
Disposals	-	(10)	(1,018)	(1,028)
Cost or valuation at end of year	<u>2,750</u>	<u>275</u>	<u>2,983</u>	<u>6,008</u>
Depreciation at beginning of year	854	160	2,988	4,002
Charge for year	40	21	377	438
Disposals	-	(10)	(998)	(1,008)
Depreciation at end of year	<u>894</u>	<u>171</u>	<u>2,367</u>	<u>3,432</u>
Net book value at 31st March 2013	<u>1,856</u>	<u>104</u>	<u>616</u>	<u>2,576</u>
at 1st April 2012	<u>1,896</u>	<u>119</u>	<u>633</u>	<u>2,648</u>

Company

	Freehold Property £'000	Plant & Machinery £'000	Total £'000
Cost or valuation at beginning and end of year	2,750	23	2,773
Disposals	-	-	-
Cost or valuation at beginning and end of year	<u>2,750</u>	<u>23</u>	<u>2,773</u>
Depreciation at beginning of year	854	23	877
Charge for year	40	-	40
Depreciation at end of year	<u>894</u>	<u>23</u>	<u>917</u>
Net book value at 31st March 2013	<u>1,856</u>	<u>-</u>	<u>1,856</u>
at 1st April 2012	<u>1,896</u>	<u>-</u>	<u>1,896</u>

At 30th September 1990 the Freehold Property at 21 St Thomas Street, Bristol was revalued to £2,750,000. The historical cost of this item amounts to £532,792 and the accumulated depreciation to 31st March 2013 totals £209,000 (2012 £201,000).

On an historical cost basis, the profit on ordinary activities before taxation would have been £3,366,000 (2012 £4,253,000) and retained profit for the year would have been £1,299,000 (2012 £1,484,000).

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

10. Fixed Assets - Investment in Subsidiary Undertakings

	Company	
	2013 £'000	2012 £'000
Shares at cost	5,005	5,005
Revaluation (note 1 (j)) brought forward	800	634
Revaluation movement in year	(147)	166
Net asset value including goodwill	5,658	5,805
Amounts due to subsidiary companies	(4,517)	(4,361)
Net Investments	<u>1,141</u>	<u>1,444</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets

The principal subsidiary companies, in each of which the company has a 100% Ordinary shareholding, are registered in England (except as shown) as follows

Jordans Limited
 Jordan Publishing Limited
 Jordan Trust Company Limited
 Jordans Trust Company (Jersey) Limited* - Jersey
 Jordans (Scotland) Limited* - Scotland
 Jordans Trust Company (BVI) Limited* - British Virgin Islands
 Jordans Trust Company (Cyprus) Limited* - Cyprus
 Jordans Trust Company (Seychelles) Limited* - Seychelles

* Held via a subsidiary company

The activities are set out on pages 2 to 6

11 Stock

	Group	
	2013 £'000	2012 £'000
Raw material and consumables	26	35
Finished goods and goods for resale	275	305
Work in progress	25	28
	<u>326</u>	<u>368</u>

12 Debtors

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Due within one year				
Trade debtors	5,324	4,945	-	-
Other debtors	275	211	171	105
Prepayments	771	741	-	-
Corporation tax debtor	-	-	280	433
Loans to employees for share purchase	18	16	-	-
	<u>6,388</u>	<u>5,913</u>	<u>451</u>	<u>538</u>

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

13 Creditors

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade creditors	3,809	2,925	453	528
Amount due to subsidiaries	-	-	4,517	4,361
Tax and social security	235	292	-	-
Corporation Tax	98	525	-	-
Accruals and deferred income	5,343	5,782	-	-
Payments on account	76	64	-	-
	<u>9,561</u>	<u>9,588</u>	<u>4,970</u>	<u>4,889</u>

Amounts due to subsidiaries are unsecured, non interest bearing and repayable on demand

14 Called up Share Capital

	2013	2012
	Authorised	Allotted
	£'000	called up and
		fully paid
		£'000
		called up and
		fully paid
		£'000
Deferred £1 shares	424	424
10% 'A' Ordinary £1 shares	555	555
Ordinary £1 shares	99	99
Unclassified shares	276	-
	<u>1,354</u>	<u>1,078</u>

On 31st March 2010 the company purchased the shareholding of 3i Group plc consisting of 655,000 10% 'A' Ord and 60,500 Ordinary £1 shares, held by 3i since the commencement of the group. The shares were cancelled immediately on purchase, giving rise to a capital redemption reserve and at the same time 3i Group plc were allotted one £1 special share under the terms of the agreement, redeemable by the Company 3 months after the publication of the accounts for the year ended 31st March 2012. This redemption was completed on the 28th January 2013.

The company operates an Employee Share Trust (The West of England Trust Limited 1995 Employee Share Trust) for the employees of the group. Shares held by the trust are allocated to employees as a bonus at the company's discretion. The Trust holds 1,916 £1 'A' Ordinary shares (2012 9,986) and 1,353 £1 Ordinary shares (2012 1,410). To date £304,128 (2012 £231,000) has been debited to profit and loss account.

Equity Share Capital

The 10% 'A' Ordinary shares of £1 each qualify for a cumulative assured dividend of 10% per annum of the nominal value and rank pari passu with the other classes of shares, for any dividend in excess of 10%. These shares have priority over the other classes on a liquidation for the nominal value of the shares and any unpaid preferential dividends. The shares normally carry one vote in a general meeting.

The Ordinary shares of £1 each qualify for a dividend at the discretion of the directors, rank for a distribution on a liquidation after the 10% 'A' ordinary shareholders have been paid and carry one vote per share in a general meeting.

The Deferred shares of £1 each qualify for a dividend at the discretion of the directors, rank for a distribution on liquidation after the other shareholders have been paid, and carry 5 votes per share in a general meeting.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

15 Reconciliation of movements in shareholders' funds and movements on reserves.

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Profit and Loss Account				
Brought forward	5,455	5,164	5,886	5,757
Exchange difference on translation of net assets of subsidiary	14	(5)	-	-
Actuarial gain/(loss) on defined benefit pension scheme	66	(1,285)	66	(1,285)
Movement on deferred tax relating to pension scheme	(311)	112	(311)	112
Profit after tax for the year	2,926	3,459	3,092	3,292
Dividends paid	(1,659)	(2,007)	(1,659)	(2,007)
Own shares in ESOP	157	(15)	157	(15)
Release from revaluation reserve	32	32	32	32
	<u>6,680</u>	<u>5,455</u>	<u>7,263</u>	<u>5,886</u>

An aggregate amount of £1,433,000 relating to goodwill was written off against Group reserves on creation of the Group in 1982

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Revaluation Reserve				
Revaluation of subsidiaries brought forward	-	-	1,187	1,021
Revaluation current year	-	-	(147)	166
	-	-	<u>1,040</u>	<u>1,187</u>
Revaluation of property	1,545	1,577	1,545	1,577
Release to revenue reserves	(32)	(32)	(32)	(32)
	<u>1,513</u>	<u>1,545</u>	<u>2,553</u>	<u>2,732</u>

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Shareholders' Funds				
Brought forward	8,813	8,554	10,431	10,168
Exchange difference on translation of net assets of subsidiary	14	(5)	-	-
Actuarial gain/(loss) on defined benefit pension scheme	66	(1,285)	66	(1,285)
Movement on deferred tax relating to pension scheme	(311)	112	(311)	112
Profit after tax for the year	2,926	3,459	3,092	3,292
Dividends	(1,659)	(2,007)	(1,659)	(2,007)
Revaluation of subsidiaries	-	-	(147)	166
Own shares in ESOP	157	(15)	157	(15)
	<u>10,006</u>	<u>8,813</u>	<u>11,629</u>	<u>10,431</u>

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

16 Deferred Taxation

Deferred taxation provided in the accounts is as follows

	2013 Provided £'000	2012 Provided £'000
Company and Group at 31 March 2013 and 31st March 2012	-	-

The company has not recognised a deferred tax asset on timing differences of £154,000 (2012 £146,000)

In addition a deferred tax asset in respect of the defined benefit pension scheme liability of £229,000 (2012 £540,000) has been recognised. The movement on this asset during the year has been reflected in the statement of total recognised gains and losses

17 Consolidated Cash Flow Statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2013 £'000	2012 £'000
Operating profit	2,976	4,084
Difference between pension charge and cash contributions	(1,034)	(684)
Depreciation and amortisation	439	406
(Profit)/Loss on sale of fixed assets	(18)	-
Non cash ESOP movement	234	-
Reduction in stocks	42	30
(Increase) in debtors	(475)	(232)
Increase in creditors	399	394
Profit/(Loss) on exchange difference	14	(5)
Net cash inflow from operating activities	<u>2,577</u>	<u>3,993</u>

(b) Analysis of cashflow for headings netted in the cashflow statement

	2013 £'000	2012 £'000
Return on investment and servicing of finance	202	141
Interest received and similar income	<u>202</u>	<u>141</u>
Net cash inflow for returns on investment and servicing of finance	<u>202</u>	<u>141</u>

(c) Capital expenditure and financial investments

	2013 £'000	2012 £'000
Purchase of fixed assets	(386)	(520)
Disposal of fixed assets	38	5
	<u>(348)</u>	<u>(515)</u>

(d) Analysis of Net Liquid Funds

	31/03/12 £'000	Cash Flow £'000	31/03/13 £'000
Cash at bank and in hand	11,169	(139)	11,030
	<u>11,169</u>	<u>(139)</u>	<u>11,030</u>

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

18 Financial Commitments

Annual commitments under non-cancellable operating lease agreements which expire within the specified periods are as follows

	Land & Buildings	
	2013	2012
	£'000	£'000
Within one year	109	107
Within two to five years	86	168
After five years	60	-
	<u>255</u>	<u>275</u>

19 Ultimate Controlling Party

The owners of the Company are the shareholders and no individual has sufficient shares to exercise control over the group

20 Related Party Transactions

Ashurst LLP the Law firm, of which a director Paul Randall is a partner, received £20,000 (2012 £nil) for legal services provided to the group

21. Pension Schemes

In the UK, the group provides retirement and death benefits to its employees through both defined benefit and defined contribution schemes

The company operates a defined contribution scheme for eligible employees. Pension costs are charged to the Profit and Loss Account in the year to which they relate. The charge in 2013 was £70,970 (2012 £40,262). The company's contribution to the defined contribution scheme is 5%. The company has no liability for the final value of individual member's funds.

The defined benefit scheme is funded by the assets held by the Trustees, separately from the finances of the Group. The accounting policy is to provide for pension liabilities on a systematic basis over the period of employment of scheme members, with surpluses disclosed by actuarial valuations being credited against future contributions.

The charge for pension costs accruing during the year has been calculated in accordance with FRS17 'retirement benefits' by an independent qualified actuary using the projected unit method, based on the last full actuarial valuation as at 31st March 2010.

The disclosures below are provided in accordance with the requirements of FRS 17. This requires recognition of the value of the assets and liabilities arising from an employer's retirement benefit obligations, the operating costs of providing those benefits and adequate disclosure of these items.

The method used for this FRS 17 valuation is an updated actuarial valuation. A full actuarial valuation was carried out at 31st March 2010 and updated to 31st March 2013 by a qualified independent actuary, using the FRS 17 assumptions shown below.

The company paid contributions of £712,523 (2012 £815,000) over the period. It is expected that the company will pay contributions of £660,000 over the next year. On the 1st August 2012 the scheme was closed to future pension accrual.

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

21 Pension Schemes (continued)

Assumptions at year end	31 Mar 2013	31 Mar 2012
Interest rate for discounting liabilities	4.30%	4.70%
Rate of salary increase	3.05%	3.05%
Retail price inflation	2.80%	2.80%
Pension increases, in payment	2.00%	2.00%
Expected return on scheme assets	6.40%	6.50%
Consumer price inflation	2.00%	2.00%
Assumed life expectancies on retirement at age 65 are		
Returning today		
Male	88	88
Female	91	91
Returning in 20 years time		
Male	90	90
Female	93	93

The expected return on assets is a blended average of projected long-term returns for the various asset classes. Equity returns are developed based on the selection of an equity risk premium above the risk free rate, which is measured by reference to the yield on government bonds. Corporate bond returns are determined by reference to the long-term yields available on high quality sterling corporate debt, measured by reference to an excess over the yield on government bonds.

The amounts recognised in the balance sheet are as follows	2013 £'000	2012 £'000
Fair value of scheme assets	15,410	12,748
Present value of scheme liabilities	(16,406)	(15,000)
Deficit in the scheme	(996)	(2,252)
Related deferred tax asset	229	540
Net pension liability	(767)	(1,712)
	2013 £'000	2012 £'000
Pension cost recognised in the profit and loss account for the period ending 31 March		
Operating cost		
Current service cost	(50)	(139)
Gain on settlement or curtailment	371	-
Subtotal for operating gain/(cost)	321	(139)
Finance Income		
Interest cost	(684)	(745)
Expected return on scheme assets	840	749
Subtotal for finance income	156	4
Total pension income/(cost)	477	(135)
	2013 £'000	2012 £'000
Statement of total recognised gains and losses for the period ending 31 March		
Total actuarial gain/(loss)	66	(1,285)
Movement on deferred tax	(311)	112
Net actuarial (loss)	(245)	(1,173)

THE WEST OF ENGLAND TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued

21 Pension Schemes (continued)

	2013 £'000	2012 £'000
Reconciliation of the Present value of Scheme Liabilities		
Present value of Scheme Liabilities at the start of the year	15,000	13,322
Current Service cost	50	139
Interest cost	684	745
Scheme participants' contributions	21	107
Actuarial loss	1,297	876
Benefits and expenses paid	(275)	(189)
Change due to settlement or curtailment	(371)	-
Present value of Scheme Liabilities at the end of the year	<u>16,406</u>	<u>15,000</u>

The actuarial loss is attributable to the fluctuation in discount rate compared to the prior year end which results in a higher overall valuation of the liability

	2013 £'000	2012 £'000
Reconciliation of the Assets		
Fair value of scheme assets at the start of the year	12,748	11,675
Expected return on scheme assets	840	749
Actuarial gain/ (loss)	1,362	(409)
Employer contributions	713	815
Scheme participants' contributions	22	107
Benefits and expenses paid	(275)	(189)
Fair value of scheme assets at the end of the year	<u>15,410</u>	<u>12,748</u>

Actual return on assets over the period 5.45% 2.9%

Approximately 2% of the scheme's assets are invested in shares of the company

	31 Mar 2013 £'000	31 Mar 2012 £'000
Asset categories		
Equities	11,119	5,226
Bonds	2,012	2,422
Gilts	-	1,912
Property	1,967	-
Other	312	3,188
Total	<u>15,410</u>	<u>12,748</u>

Amounts for the current and previous four years are as follows

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of scheme assets	15,410	12,748	11,675	10,383	8,319
Present value of scheme liabilities	(16,406)	(15,000)	(13,322)	(14,020)	(9,125)
(Deficit) in scheme	(996)	(2,252)	(1,647)	(3,637)	(806)
Experience gains/(losses) on liabilities	371	-	745	-	127
Experience gains/(losses) on assets	1,362	(409)	284	1,313	(1,974)
Total actuarial gain/(loss)	66	(1,285)	1,934	(2,999)	(843)

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE WEST OF ENGLAND TRUST LIMITED

We have audited the group and parent company financial statements (the "financial statements") of The West of England Trust Limited for the year ended 31 March 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 27 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material mis-statement 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 the parent company's affairs as at 31 March 2013 and of the group's profit and cash flows 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

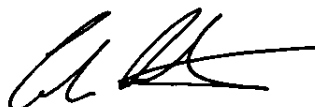
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Colin Bates (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol



23rd October, 2013

THE WEST OF ENGLAND TRUST LIMITED
**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ANNUAL REPORT AND THE
FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

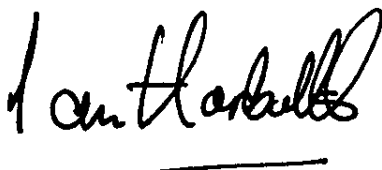
- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 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.

By Order of the Board

I A Harbottle

Company Secretary



23rd October, 2013