

Registered Number : 1636508

THE WEST OF ENGLAND TRUST LIMITED

YEAR ENDED 31 MARCH 2016

Head Office and Registered Office
21, St Thomas Street Bristol BS1 6JS

Independent Auditors
PricewaterhouseCoopers LLP, Bristol

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THE WEST OF ENGLAND TRUST LIMITED
Chairman's Strategic Review 2016

This year I shall be reviewing the performance of the Group for the year to 31st March 2016 and I also ask shareholders to read this report together with my letter to be sent in November 2016 which will give details of the pending sale of Jordans Limited and Jordans Trust Company Limited to a wholly owned subsidiary of the Vistra Group, subject to shareholder approval. I give further details of this sale and other asset disposals below together with the Board's future strategy for the Group. During the year dividends totalling 270p per share were paid compared to 160p per share paid in the previous year. The Board decided to bring forward to March 2016 the second interim dividend of 110p per share, normally paid in August of each year.

For the year ended 31st March 2016 the accounts show that the Group achieved a profit before taxation of £19.5 million on a turnover of £22.9 million, however the profit figure includes £17.3 million as a result of the sale of the Jordan Publishing business. The figure also contains the ten months profit from Jordan Publishing Limited prior to the sale. This business was finally sold to Relx PLC in January of this year. The remaining group businesses including Jordans Limited and Jordans Trust Company achieved a profit before taxation of £1,477,000 against a comparative figure of £2,109,000 in 2015.

Jordans' revenue for the year was £17.1 million, slightly below both budget and last year's figure. Profit for the year was £1,333,000 which was significantly ahead of budget as well as up on last year due to further reductions in costs. Within the business UK Corporate saw an increase in revenue particularly in Corporate Law. Against these improvements turnover in Business Information division was impacted by the changes in pricing agreed with the major customer last year. Conveyancing continued to find its business environment difficult and increasingly competitive.

I now wish to turn to the future of The West of England Trust Limited. The Board after careful consideration has taken the view that it is in the best interest of the Shareholders that the remaining trading businesses be sold and the following summarises what action your Board has taken.

In January of this year the business of Jordan Publishing was sold for £17.5 million with £3.2m million being placed in escrow until January 2018 as security for the warranties and indemnities given by WET to the purchaser.

In March the Board decided that The West of England Trust Limited 1982 Pension Scheme should be wound up. The Company made an additional contribution of £4.8million to the Scheme to enable enhanced transfer offers to be made to members as encouragement to them to transfer their pensions to other providers. At the conclusion of this process the Trustee will purchase annuities for those members who have not chosen to transfer their pensions and the Scheme will then be wound up.

In August an agreement was entered into to sell the freehold of 21 St Thomas Street, Bristol for the sum of £5.3 million. A condition of this sale, which is expected to be completed in November, is that the Group's businesses could continue to occupy the building until August 2017.

In October, subject to shareholder approval, the sale to Vistra Group of Jordans Limited and Jordans Trust Company Limited was agreed for a consideration of approximately £21million of which 10% will be held in escrow until November 2018 to cover warranties and indemnities given. In the same month, the Board announced the sale of the client base of Jordans Trust Company Jersey, to Helm Trust

THE WEST OF ENGLAND TRUST LIMITED
Chairman's Strategic Review 2016

Company, also a Jersey based company. The consideration for this sale will be received over the next three years based on a percentage of revenues received by Helm arising from the clients previously administered by Jordans.

During the negotiations with Vistra it became clear that they did not wish to acquire the conveyancing search business, and as we are unable to find an alternative buyer, it is likely that this business will cease to trade in the near future.

On the completion of the sale of Jordans and Jordans Trust Company, The West of England Trust Limited will cease to have any trading subsidiaries and the Company's assets will consist almost entirely of cash balances. Shortly after the Vistra sale has been completed it is the intention of the Board to propose to shareholders that the Company commences the process of a Members' Voluntary Winding Up. This will enable the cash balances to be distributed to shareholders in the most efficient manner. I shall be writing to shareholders during the first half of next year to give further details of this process.

Finally, I and my Board colleagues wish to thank the staff for their continued efforts, especially so during these last 12 months, which I'm sure shareholders will appreciate has been a time of considerably increased effort and stress through the due diligence process to achieve these results.



R Templeton
Chairman of the Board of Directors

31 October, 2016

Report of the Directors

31st March 2016

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

| Dividends | 2016 | 2015 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Dividends paid on all classes as follows: | | |
| 6th August 2015 (7th August 2014) | | |
| 10% 'A' Ordinary, Ordinary and Deferred 110p (110p) per share | <u>1,175</u> | <u>1,176</u> |
| 11th March 2016 (26th February 2015) | | |
| 10% 'A' Ordinary, Ordinary and Deferred 160p (50p) per share | <u>1,710</u> | <u>534</u> |
| | <u>2,885</u> | <u>1,710</u> |

Principal Activities and Business Review

Details of the Group activities, set out on pages 2 to 4, and a review of the year, including details of key financial performance indicators, is covered in the Chairman's Strategic Review (the Strategic Report) on pages 5 & 6.

On the 22nd January 2016 the trade and assets of Jordan Publishing were sold as referred to in the Consolidated Income Statement and note 9.

Future Developments

The Group continues to develop services to anticipate and meet customer needs. It looks to the future with confidence. Changes in legislation, developments in technology and emerging requirements from its customers will all help it find new products to deliver and new markets to serve, building on the reputation, expertise and diverse product range that has been key to the success of the business to date.

Similarly, it will continue to invest significantly in information technology developments to provide customers with an efficient and high quality service.

Directors

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

Ian A Harbottle

Nicholas W S Owen

Paul N Randall

Richard Templeton

Michael Whitwell

Paul Heal

Financial Instruments

Here follows a summary of the exposure that the Company believes is material in the assessment of the assets, liabilities, financial position and profit or loss of the group.

Price risk - The Company and its Group operate 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.

Report of the Directors

31st March 2016

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 and manages counter party risks.

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 Dollar on overseas activities and subsidiaries, however, the Group has the ability to time its transactions to mitigate the risk.

Key Performance Indicators

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's beyond revenue and profit before tax is not necessary for an understanding of the development, performance or position of the business.

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

On the 19th August 2016 the company exchanged contracts for the sale of the freehold property, 21 St Thomas Street, Bristol on a sale and lease back basis for the sum of £5.3m.

On the 11th October 2016 the company exchanged conditional contracts for the sale of Jordan Trust Company (Jersey) Limited, the consideration for which is conditional on future performance over a three year period and cannot be determined at this time.

On the 14th October 2016 the company exchanged conditional contracts for the sale of Jordans Limited and Jordans Trust Company Limited as detailed in the Chairman's Strategic Review.

Statement of Directors' Responsibilities

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

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

Report of the Directors

31st March 2016

- 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, including FRS102, 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On Behalf of the Board

Ian A Harbottle - Secretary

Date: 31st October 2016



THE WEST OF ENGLAND TRUST LIMITED
Consolidated Income Statement
31st March 2016

| | Notes | 2016 | | | 2015 | | |
|---|-------|-----------------------|-------------------------|----------|-----------------------|-------------------------|----------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | Continuing Operations | Discontinued Operations | Total | Continuing Operations | Discontinued Operations | Total |
| Turnover | 4 | 17,147 | 5,767 | 22,914 | 17,331 | 7,907 | 25,238 |
| Cost of sales | | (10,482) | (3,763) | (14,245) | (10,338) | (5,112) | (15,450) |
| Gross Profit | | 6,665 | 2,004 | 8,669 | 6,993 | 2,795 | 9,788 |
| Distribution costs | | (259) | (196) | (455) | (270) | (290) | (560) |
| Administrative expenses | | (5,030) | (1,175) | (6,205) | (4,725) | (1,684) | (6,409) |
| Operating Profit | 7 | 1,376 | 633 | 2,009 | 1,998 | 821 | 2,819 |
| Profit on sale of operation | 9 | - | 17,316 | 17,316 | - | - | - |
| | | 1,376 | 17,949 | 19,325 | 1,998 | 821 | 2,819 |
| Other income | | - | 76 | 76 | - | - | - |
| Interest receivable | | 101 | - | 101 | 111 | - | 111 |
| Profit before Taxation | | 1,477 | 18,025 | 19,502 | 2,109 | 821 | 2,930 |
| Tax on profit | 10 | (350) | (2,270) | (2,620) | (150) | (184) | (334) |
| (Loss)/Profit for the financial year for the group | | 1,127 | 15,755 | 16,882 | 1,959 | 637 | 2,596 |
| (Loss)/Profit attributable to owners of the parent | | 1,127 | 15,755 | 16,882 | 1,959 | 637 | 2,596 |

THE WEST OF ENGLAND TRUST LIMITED
Consolidated Statement of Other Comprehensive Income
31st March 2016

| | 2016 | 2015 |
|---|---------|-------|
| | £ | £ |
| Profit for the year | 16,882 | 2,596 |
| Other Comprehensive Income: | | |
| Other finance income | 168 | 227 |
| Remeasurement of defined benefit obligations | - | (887) |
| Special pension contribution net after current tax effect | (4,451) | - |
| Currency translation differences | 67 | 26 |
| Deferred tax Special pensions contribution | 611 | - |
| Other comprehensive income for year | (3,605) | (634) |
| Total comprehensive income attributable to owners of the parent | 13,277 | 1,962 |

The notes form part of these financial statements

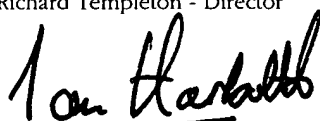
THE WEST OF ENGLAND TRUST LIMITED
Consolidated Statement of Financial Position
31st March 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|--|-------|---------------|---------------|
| Fixed Assets | | | |
| Intangible assets | 13 | 74 | 219 |
| Tangible assets | 14 | 2,153 | 2,113 |
| | | <u>2,227</u> | <u>2,332</u> |
| Current Assets | | | |
| Stocks | 16 | 64 | 249 |
| Debtors: amounts falling due within one year | 17 | 9,548 | 7,064 |
| Cash at bank and in hand | | 18,472 | 11,124 |
| | | <u>28,084</u> | <u>18,437</u> |
| Creditors | | | |
| Amounts falling due within one year | | (9,085) | (9,934) |
| Net Current Assets | | <u>18,999</u> | <u>8,503</u> |
| Total Assets Less Current Liabilities | | <u>21,226</u> | <u>10,835</u> |
| Pension Liability | | <u>-</u> | <u>-</u> |
| Net Assets | | <u>21,226</u> | <u>10,835</u> |
| Capital And Reserves | | | |
| Called up share capital | 19 | 1,078 | 1,078 |
| Share premium | 20 | 19 | 19 |
| Capital redemption reserve | 20 | 716 | 716 |
| Other reserves | 20 | 1,417 | 1,449 |
| Retained earnings | 20 | 17,996 | 7,573 |
| Shareholders' Funds | | <u>21,226</u> | <u>10,835</u> |

The financial statements were approved by the Board of Directors on 31st October 2016 and were signed on its behalf by:



Richard Templeton - Director



Ian A Harbottle - Director

THE WEST OF ENGLAND TRUST LIMITED
Company Statement of Financial Position
31st March 2016

| | Notes | 2016 £,000 | 2015 £,000 |
|--|-------|---------------|---------------|
| Fixed Assets | | | |
| Tangible assets | 14 | 5,300 | 5,300 |
| Investments | 15 | 5,415 | 5,415 |
| | | <u>10,715</u> | <u>10,715</u> |
| Current Assets | | | |
| Debtors: amounts falling due within one year | 17 | 4,091 | 242 |
| Cash at bank | | 15,527 | 8,040 |
| | | <u>19,618</u> | <u>8,282</u> |
| Creditors | | | |
| Amounts falling due within one year | 18 | (5,202) | (2,935) |
| Net Current Assets | | <u>14,416</u> | <u>5,347</u> |
| Total Assets Less Current Liabilities | | <u>25,131</u> | <u>16,062</u> |
| Net Assets | | <u>25,131</u> | <u>16,062</u> |
| Capital And Reserves | | | |
| Called up share capital | 19 | 1,078 | 1,078 |
| Share premium | 20 | 19 | 19 |
| Revaluation reserves | 20 | 899 | 899 |
| Capital redemption reserve | 20 | 716 | 716 |
| Other reserves | 20 | 4,031 | 4,031 |
| Retained earnings | 20 | 18,388 | 9,319 |
| Shareholders' Funds | | <u>25,131</u> | <u>16,062</u> |
| Company's profit for the financial year | | <u>11,955</u> | <u>1,835</u> |

The financial statements were approved by the Board of Directors on 31st October 2016 and were signed on its behalf by:



Richard Templeton - Director



Ian A Harbottle - Director

THE WEST OF ENGLAND TRUST LIMITED

Consolidated Statement of Changes in Equity

31st March 2016

| | Called up share capital £,000 | Retained earnings £,000 | Share premium £,000 |
|-----------------------------------|---|---|-----------------------------------|
| Balance at 1st April 2014 | 1,078 | 7,289 | 19 |
| Changes in equity | | | |
| Release from revaluation reserve | - | 32 | - |
| Dividends | - | (1,710) | - |
| Total comprehensive income | - | 1,962 | - |
| Balance at 31st March 2015 | 1,078 | 7,573 | 19 |
| Changes in equity | | | |
| Release from revaluation reserve | - | 32 | - |
| Dividends | - | (2,886) | - |
| Total comprehensive income | - | 13,277 | - |
| Balance at 31st March 2016 | 1,078 | 17,996 | 19 |
| | Capital redemption reserve £,000 | Property revaluation reserve £,000 | Total equity £,000 |
| Balance at 1st April 2014 | 716 | 1,481 | 10,583 |
| Changes in equity | | | |
| Release from revaluation reserve | - | - | 32 |
| Dividends | - | - | (1,710) |
| Released to retained earnings | - | (32) | 1,930 |
| Balance at 31st March 2015 | 716 | 1,449 | 10,835 |
| Changes in equity | | | |
| Release from revaluation reserve | - | - | 32 |
| Dividends | - | - | (2,886) |
| Released to retained earnings | - | (32) | 13,245 |
| Balance at 31st March 2016 | 716 | 1,417 | 21,226 |

The notes form part of these financial statements

THE WEST OF ENGLAND TRUST LIMITED
Company Statement of Changes in Equity
31st March 2016

| | Called up share capital £,000 | Retained earnings £,000 | Share premium £,000 |
|-----------------------------------|-------------------------------------|-------------------------------|---------------------------|
| Balance at 1st April 2014 | 1,078 | 9,194 | 19 |
| Changes in equity | | | |
| Dividends | - | (1,710) | - |
| Total comprehensive income | - | 1,835 | - |
| Balance at 31st March 2015 | <u>1,078</u> | <u>9,319</u> | <u>19</u> |
| Changes in equity | | | |
| Dividends | - | (2,886) | - |
| Total comprehensive income | - | 11,955 | - |
| Balance at 31st March 2016 | <u>1,078</u> | <u>18,388</u> | <u>19</u> |

| | Revaluation reserve £,000 | Capital redemption reserve £,000 | Other reserves £,000 | Total equity £,000 |
|-----------------------------------|---------------------------------|---|----------------------------|--------------------------|
| Balance at 1st April 2014 | 899 | 716 | 4,031 | 15,937 |
| Changes in equity | | | | |
| Dividends | - | - | - | (1,710) |
| Total comprehensive income | - | - | - | 1,835 |
| Balance at 31st March 2015 | <u>899</u> | <u>716</u> | <u>4,031</u> | <u>16,062</u> |
| Changes in equity | | | | |
| Dividends | - | - | - | (2,886) |
| Total comprehensive income | - | - | - | 11,955 |
| Balance at 31st March 2016 | <u>899</u> | <u>716</u> | <u>4,031</u> | <u>25,131</u> |

THE WEST OF ENGLAND TRUST LIMITED
Consolidated Statement of Cash Flows
31st March 2016

| | Notes | 2016 £,000 | 2015 £,000 |
|---|-------|----------------|---------------|
| Cash Flows From Operating Activities | | | |
| Cash generated from operations | a | (6,562) | 3,250 |
| Tax paid | | (663) | (419) |
| Net cash from operating activities | | <u>(7,225)</u> | <u>2,831</u> |
| Cash Flows From Investment Activities | | | |
| Proceeds on sale of operations | | 17,500 | - |
| Purchase of tangible fixed assets | | (223) | (261) |
| Sale of intangible fixed assets | | 2 | - |
| Sale of fixed asset investments | | 3 | - |
| Interest received | | 101 | 111 |
| Other income | | 76 | - |
| Net cash from investing activities | | <u>17,459</u> | <u>(150)</u> |
| Cash Flows From Financing Activities | | | |
| Equity dividends paid | | (2,886) | (1,710) |
| Net cash from Financing Activities | | <u>7,348</u> | <u>971</u> |
| Increase In Cash And Cash Equivalents | | 7,348 | 971 |
| Cash And Cash Equivalents at Beginning Of Year | b | <u>11,124</u> | <u>10,153</u> |
| Cash And Cash Equivalents at end Of Year | b | <u>18,472</u> | <u>11,124</u> |

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows

31st March 2016

a. Reconciliation Of Profit Before Taxation To Cash Generated From Operations

| | 2016 | 2015 |
|--|----------------|--------------|
| | £,000 | £,000 |
| Profit before taxation | 2,009 | 2,819 |
| Depreciation and amortisation charges | 287 | 442 |
| Loss on disposal of fixed assets | (4) | 10 |
| Difference between pension charge and contribution | (4,451) | (660) |
| | (2,159) | 2,611 |
| Decrease in stocks | 185 | 55 |
| (Increase) in trade and other debtors | (2,484) | (117) |
| (Decrease)/Increase in trade and other creditors | (2,171) | 675 |
| Currency translation difference | 67 | 26 |
| Cash generated from operations | (6,562) | 3,250 |

b. Cash And Cash Equivalents

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

| Year Ended 31st March 2016 | 31/3/16 | 1/4/15 |
|-------------------------------------|-------------|------------|
| | £,000 | £,000 |
| Cash and cash equivalents | 18,472 | 11,124 |
| Year Ended 31 March 2015 | 31/3/15 | 1/4/14 |
| | £,000 | £,000 |
| Cash and cash equivalents | 11,124 | 10,153 |

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
31st March 2016

1. Statutory Information

The West of England Trust Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Going Concern

The Group meets its day-to-day working capital requirements through its bank deposits. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current deposits. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of Consolidation

The Consolidated Income Statement and Statement of Financial Position incorporate the financial statements of the parent company and its subsidiary undertakings for the years ended 31st March 2016/2015. All subsidiary undertakings are wholly owned companies and are referred to as 'companies' in these accounts. No Income Statement is presented for the The West of England Trust Limited as permitted by section 408 of the Companies Act 2006. Uniform accounting policies are applied across the group. Intercompany transactions and balances between group companies are eliminated.

Revenue Recognition

Turnover comprises amounts receivable for goods and services supplied, exclusive of value added tax, discounts and rebates allowed by group companies. Fees billed for annual services are deferred into the Statement of Financial Position at the year end and are recognised in the Consolidated Statement of Comprehensive Income in the period the fee relates to.

Goodwill

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

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

Goodwill arising on acquisitions prior to 31st March 1998 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of FRS 102 and will be credited to the Income Statement in the event of disposal.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
31st March 2016

2. Accounting Policies - continued

Tangible Fixed Assets

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

| | |
|---------------------|---------------|
| Motor Vehicles | 4 years |
| Plant and Equipment | 3 to 10 years |
| Short Leaseholds | Lease Term |
| Freehold | 50 years |

Tangible fixed assets are shown at cost less accumulated depreciation. There has been no change in circumstances necessitating an impairment review under section 27 of FRS102 'impairment of assets'.

Investment Properties

In the financial statements of the company, the property is accounted for as an investment property as it leases the building to its trading subsidiaries. The property is measured at fair value.

Investment in Subsidiary Undertakings

The investment in trading subsidiary companies had previously been revalued to equate to the net asset value of those companies. As permitted under section 35.10 (f) of FRS 102, the company's investment in the subsidiaries have been measured at deemed cost which is taken to be the carrying amount at the date of transition as detailed in note 25.

Inventories

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

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct labour, materials and related overheads. Net realisable value is the estimated proceeds from the sale of items of stock, less all further costs to completion, and less all costs to be incurred in marketing, selling and distributing directly related to the items in question.

Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reverse 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.

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 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.

Notes to the Consolidated Financial Statement

31st March 2016

2. *Accounting Policies - continued*

Foreign Currencies

(1) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

(2) Transactions and balances

Monetary assets and liabilities and the results of subsidiaries in foreign currencies are translated into Sterling at rate 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 Other Comprehensive Income.

Hire purchase and leasing commitments

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

Share Capital

Ordinary and deferred shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options would be shown in equity as a deduction, net of tax, from the proceeds.

Distributions to Equity Holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial Assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the income statement.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies that are classed as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
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2. Accounting Policies - continued

Provision and contingencies

(1) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is not made for future operating losses.

(2) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when:

- (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or
- (ii) when the existence will not be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Pension Costs

For the defined benefit scheme the amounts charged to operating profit are the service costs and gains and losses on settlement and curtailment and they are included as part of staff costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'finance expense'. Actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income.

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 section 28 of FRS102 'Employee Benefits'. The resulting defined benefit asset or liability 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.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
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3. Critical Accounting Judgements and Estimation Uncertainty

The directors of The West of England Trust Ltd and group company directors consider the level of provisioning for bad debts, credit notes and the deferment of revenue applicable to the future periods on a regular basis and provision appropriately according to their judgement.

In the holding company the directors exercised their judgement and opinion in assessing the 1/4/14 fair value of the property at 21 St Thomas Street, Bristol based on a range of professional valuations in the period since and concluding that there had been no appreciable change per note 25b. Additionally the directors engage with an external actuary in respect of assumptions regarding the pension scheme as detailed in note 26.

4. Turnover

Turnover comprises amounts receivable for goods and services as follows:

| | 2016 £,000 | 2015 £,000 |
|------------------------------------|---------------|---------------|
| Goods | 13,785 | 16,448 |
| Services | 9,204 | 8,944 |
| Net cash from operating activities | <u>22,989</u> | <u>25,392</u> |

Turnover comprised of products is recognised on despatch of the goods to the customer. Turnover comprised of services is recognised when performance of the related services gives the group the right to consideration.

5. Employees

| | 2016 £,000 | 2015 £,000 |
|-------------------------------------|---------------|---------------|
| Average monthly numbers during year | <u>242</u> | <u>233</u> |

6. Directors' Emoluments

| | 2016 £,000 | 2015 £,000 |
|----------------------|---------------|---------------|
| Fees | 152 | 152 |
| Other emoluments | 97 | 118 |
| Aggregate emoluments | <u>249</u> | <u>270</u> |

The highest paid director received emoluments of £85,000 (2015 £86,000) and had an accrued annual pension estimated at £Nil at 31st March 2016 (2015 £Nil). No other directors accrued benefits under defined benefit pension schemes during the year.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
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7. Operating Profit

The operating profit is stated after charging/(crediting):

| | 2016 | 2015 |
|---|---------------|--------------|
| | £,000 | £,000 |
| Employees cost during the year: | | |
| Wages and Salaries | 8,811 | 8,244 |
| Social security costs | 734 | 721 |
| Pension costs | 690 | 713 |
| Total staff costs | <u>10,235</u> | <u>9,678</u> |
| Hire of plant and machinery | 12 | - |
| Depreciation - owned assets | 139 | 441 |
| (Profit)/Loss on disposal of fixed assets | (4) | 10 |
| Amortisation of intangible assets | 148 | 1 |
| Bad Debt credit | (42) | (62) |

8. Auditors Remuneration

Fees payable to the company's auditor for:

| | 2016 | 2015 |
|---|------------|------------|
| | £,000 | £,000 |
| Audit of the parent and consolidated accounts | 16 | 11 |
| Audit of the company's UK subsidiaries pursuant to legislation | 52 | 35 |
| Audit of the company's foreign subsidiaries pursuant to legislation | 40 | 37 |
| Audit of the defined benefit pension scheme | 8 | 7 |
| Fees payable for other services | 16 | 13 |
| | <u>132</u> | <u>103</u> |

9. Exceptional Items

| | 2016 | 2015 |
|------------------------------|---------------|-------|
| | £,000 | £,000 |
| Profit on sale of operations | <u>17,316</u> | - |
| | <u>17,316</u> | - |

On 22nd January 2016 the Group disposed of the trade and assets of the publishing business for a consideration of £17,500,000. Net assets at the date of disposal were £184,000 and a profit on disposal of £17,316,000 is recognised in the Consolidated Income Statement.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
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10. Taxation

Analysis of the tax charge

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

| | 2016 | 2015 |
|------------------------------|--------------|------------|
| | £,000 | £,000 |
| Current tax: | | |
| UK corporation tax | 2,582 | 150 |
| Adjustment to prior year tax | 38 | (3) |
| Foreign Tax | - | 3 |
| Tax on profit | <u>2,620</u> | <u>150</u> |

Reconciliation Of Total Tax Charge Included In Profit and Loss

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

| | 2016 | 2015 |
|---|---------------|--------------|
| | £,000 | £,000 |
| Profit on ordinary activities before tax | <u>19,502</u> | <u>2,109</u> |
| Profit multiplied by the standard rate of tax in the UK of 20% (2015 - 21%) | 3,900 | 443 |
| Effects of: | | |
| Other timing differences | 34 | - |
| Adjustment to prior year tax | 38 | - |
| Base costs and indexation for CGT on sale of operations | (1,215) | - |
| Expenses not deductible for tax purposes | 7 | 16 |
| Capital allowances in excess of depreciation | (57) | (15) |
| Utilisation of tax losses | - | (8) |
| Lower tax on foreign earnings | (87) | (145) |
| Non taxable income | - | (141) |
| Total tax charge | <u>2,620</u> | <u>150</u> |

11. Individual Income Statement

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

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
31st March 2016

12. Dividends

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| Dividends paid on all classes of shares as follows: | | |
| 6th August 2015 (7th August 2014) | | |
| 10% 'A' Ordinary, Ordinary and Deferred: 110p (110p) per share | 1,175 | 1,176 |
| 11th March 2016 (26th February 2015) | | |
| 10% 'A' Ordinary, Ordinary and Deferred: 160p (50p) per share | 1,711 | 534 |
| | <u>2,886</u> | <u>1,710</u> |

13. Intangible Fixed Assets
Group

| | Software £,000 | Goodwill £,000 | Total £,000 |
|------------------------|-------------------|-------------------|----------------|
| Cost | | | |
| At 1st April 2015 | 1,192 | 601 | 1,793 |
| Additions | 20 | - | 20 |
| Disposals | (395) | (593) | (988) |
| At 31st March 2016 | <u>817</u> | <u>8</u> | <u>825</u> |
| Amortisation | | | |
| At 1st April 2015 | 984 | 590 | 1,574 |
| Charges in year | 145 | 3 | 148 |
| Eliminated on disposal | (378) | (593) | (971) |
| At 31st March 2016 | <u>751</u> | <u>-</u> | <u>751</u> |
| Net Book Value | | | |
| At 31st March 2016 | <u>66</u> | <u>8</u> | <u>74</u> |
| At 31 March 2015 | <u>208</u> | <u>11</u> | <u>219</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.

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Notes to the Consolidated Financial Statement
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14. Tangible Fixed Assets

Group

| | Freehold property | Leasehold property | Plant and equipment | Total |
|------------------------|------------------------------|-------------------------------|--------------------------------|--------------|
| | £,000 | £,000 | £,000 | £,000 |
| Cost | | | | |
| At 1st April 2015 | 2,750 | 244 | 1,712 | 4,706 |
| Additions | - | - | 203 | 203 |
| Disposals | - | - | (44) | (44) |
| At 31st March 2016 | <u>2,750</u> | <u>244</u> | <u>1,871</u> | <u>4,865</u> |
| Depreciation | | | | |
| At 1st April 2015 | 974 | 154 | 1,465 | 2,593 |
| Charge for year | 40 | 12 | 87 | 139 |
| Eliminated on disposal | - | - | (20) | (20) |
| At 31st March 2016 | <u>1,014</u> | <u>166</u> | <u>1,532</u> | <u>2,712</u> |
| Net Book Value | | | | |
| At 31st March 2016 | <u>1,736</u> | <u>78</u> | <u>339</u> | <u>2,153</u> |
| At 31 March 2015 | <u>1,776</u> | <u>90</u> | <u>247</u> | <u>2,113</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 2016 totals £233,000 (2015: £225,000).

On a historical cost basis, the profit before taxation would have been £19,534,000 (2015: £2,962,000) and total comprehensive income attributable to owners of the parent would have been £13,309,000 (2015: £1,994,000).

Company

| | Plant & Machinery | Investment property | Total |
|---------------------------------------|----------------------------------|--------------------------------|--------------|
| | £,000 | £,000 | £,000 |
| Cost or Valuation | | | |
| At 1st April 2015 and 31st March 2016 | <u>23</u> | <u>5,300</u> | <u>5,323</u> |
| Depreciation | | | |
| At 1st April 2015 | 23 | - | 23 |
| Charge for year | - | - | - |
| At 31st March 2016 | <u>23</u> | <u>-</u> | <u>23</u> |
| Net Book Value | | | |
| At 31st March 2016 | <u>-</u> | <u>5,300</u> | <u>5,300</u> |
| At 31 March 2015 | <u>-</u> | <u>5,300</u> | <u>5,300</u> |

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
31st March 2016

15. Fixed Asset Investments

Fixed assets - Investment in subsidiary undertakings

| | Company | |
|---|----------------|--------------|
| | 2016 | 2015 |
| | £,000 | £,000 |
| Carrying value of investment at deemed cost | 5,415 | 5,415 |
| Amounts due to subsidiary companies | (2,514) | (2,107) |
| Net investment | <u>2,901</u> | <u>3,308</u> |

The activities are set out on pages 2 to 4 and a full list of subsidiaries, all 100% owned, is given on page 36.

16. Stocks

| | Company | |
|------------------|----------------|--------------|
| | 2016 | 2015 |
| | £,000 | £,000 |
| Raw materials | 2 | 7 |
| Work-in-progress | - | 18 |
| Finished goods | 62 | 224 |
| | <u>64</u> | <u>249</u> |

17. Debtors: Amounts Falling Due Within One Year

| | Group | | Company | |
|---------------------------------------|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £,000 | £,000 | £,000 | £,000 |
| Trade debtors | 8,548 | 6,318 | 3,652 | 78 |
| Other debtors | 95 | 172 | - | - |
| Loans to employees for share purchase | 1 | 1 | - | - |
| Corporation Tax | - | - | 439 | 164 |
| Deferred tax assets | 611 | - | - | - |
| Pre-payments and accrued income | 293 | 573 | - | - |
| | <u>9,548</u> | <u>7,064</u> | <u>4,091</u> | <u>242</u> |

The deferred tax asset arises on the timing of tax relief available on the special pension contribution

THE WEST OF ENGLAND TRUST LIMITED
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18. Creditors: Amounts Falling Due Within One Year

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £,000 | £,000 | £,000 | £,000 |
| Trade creditors | 4,564 | 3,697 | 1,692 | 193 |
| Amounts owed to the group undertakings | - | - | 2,514 | 2,107 |
| Corporation tax | 1,793 | 164 | 1,850 | - |
| Deferred tax liability | - | - | 24 | 635 |
| Social security and other taxes | 338 | 218 | - | - |
| Accruals and deferred income | 2,376 | 5,815 | - | - |
| Payments on account | 14 | 40 | - | - |
| | <u>9,085</u> | <u>9,934</u> | <u>5,202</u> | <u>2,935</u> |

The deferred tax liability arises on the investment property from the company's perspective at 19%.

19. Called Up Share Capital

| | | Nominal value: | 2016 | 2015 |
|---------------------------------|----------------------------|----------------|--------------|--------------|
| | | | £,000 | £,000 |
| Allotted issues and fully paid: | | | | |
| Number: | Class: | | | |
| 424,000 | Deferred £1 shares | £1 | 424 | 424 |
| 555,000 | 10% 'A' Ordinary £1 shares | £1 | 555 | 555 |
| 99,000 | Ordinary £1 shares | £1 | 99 | 99 |
| | | | <u>1,078</u> | <u>1,078</u> |

The company operates an Employee Share Trust (The West of England Limited 1995 Employee Share Trust) for the employees of the group. Shares held by the trust are issued to employees as a bonus at the company's discretion. The scheme holds 6,738 £1 'A' Ordinary shares (2015: 6738) and 2,780 £1 Ordinary shares (2015: 2780).

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 Consolidated Financial Statement
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20. Reserves

Group

| | Retained earnings | Share premium | Subsidiaries Revaluation reserve |
|-----------------------------|----------------------|------------------|--|
| | £,000 | £,000 | £,000 |
| At 1st April 2015 | 7,573 | 19 | - |
| Profit for the year | 13,277 | - | - |
| Dividends | (2,886) | - | - |
| Release from other reserves | 32 | - | - |
| At 31st March 2016 | <u>17,996</u> | <u>19</u> | <u>-</u> |

Group

| | Capital redemption reserve | Other reserve | Totals |
|------------------------------|----------------------------------|------------------|---------------|
| | £,000 | £,000 | £,000 |
| At 1st April 2015 | 716 | 1,449 | 9,757 |
| Profit for the year | - | - | 13,277 |
| Dividends | - | - | (2,886) |
| Release to Retained earnings | - | (32) | - |
| At 31st March 2016 | <u>716</u> | <u>1,417</u> | <u>20,148</u> |

Company

| | Retained earnings | Share premium | Revaluation reserve |
|---------------------|----------------------|------------------|------------------------|
| | £,000 | £,000 | £,000 |
| At 1st April 2015 | 9,319 | 19 | 899 |
| Profit for the year | 11,955 | - | - |
| Dividends | (2,886) | - | - |
| At 31st March 2016 | <u>18,388</u> | <u>19</u> | <u>899</u> |

Company

| | Capital redemption reserve | Property revaluation reserve | Totals |
|---------------------|----------------------------------|------------------------------------|---------------|
| | £,000 | £,000 | £,000 |
| At 1st April 2015 | 716 | 4,031 | 14,984 |
| Profit for the year | - | - | 11,955 |
| Dividends | - | - | (2,886) |
| At 31st March 2016 | <u>716</u> | <u>4,031</u> | <u>24,053</u> |

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Notes to the Consolidated Financial Statement
31st March 2016

21. Related Party Disclosures

Key management personnel of the entity or its parent were paid (in the aggregate) £272,000 (2015: £251,000).

Ashurst LLP the law firm of which a director Paul Randall was a partner during the year received £224,615 (2015: £144,923) for legal services provided to the group.

22. Ultimate Controlling Party

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

23. Financial Commitments

Total contractual commitments under non-cancellable operating lease agreements are as follows.

| | 2016 | 2015 |
|--------------------|------------|------------|
| | £,000 | £,000 |
| Land and buildings | <u>676</u> | <u>546</u> |

24. Post Balance Sheet Event

On the 19th August 2016 the company exchanged contracts for the sale of the freehold property, 21 St Thomas Street, Bristol on a sale and lease back basis for the sum of £5.3m.

On the 11th October 2016 the company exchanged conditional contracts for the sale of Jordan Trust Company (Jersey) Limited, the consideration for which is conditional on future performance over a three year period and cannot be determined at this time.

On the 14th October 2016 the company exchanged conditional contracts for the sale of Jordans Limited and Jordans Trust Company Limited as detailed in the Chairman's strategic review.

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25. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statement under UK GAAP were for the year ended 31st March 2015. The date of transition to FRS 102 was 1st April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31st March 2015 and the total equity as at 1st April 2014 and 31st March 2015 between UK GAAP as previously reported and FRS 102.

| Reconciliation of Equity | Company at 1/4/2014 | Group at 1/4/2014 | Company at 31/3/2015 | Group at 31/3/2015 |
|---|--------------------------------|------------------------------|---------------------------------|-------------------------------|
| | £,000 | £,000 | £,000 | £,000 |
| Capital and reserves as previously stated | 13,088 | 10,583 | 13,315 | 10,835 |
| Revaluation of investment property | 3,484 | - | 3,484 | - |
| Revaluation of subsidiaries | - | - | (142) | - |
| Deferred tax on investment property | (635) | - | (635) | - |
| Freehold depreciation | - | - | 40 | - |
| Total | 15,937 | 10,583 | 16,062 | 10,835 |

| Reconciliation of Profit and Loss for the year | At 31 March 2015 |
|--|-----------------------------|
| | £,000 |
| Profit for the year as previously stated | 3,157 |
| Other finance income transferred to other comprehensive income | (227) |
| Total | 2,930 |

A Defined benefit scheme

Under previous UK GAAP the group recognised an expected return on defined benefit plan assets in the Statement of Other Comprehensive Income. Under FRS 102 a net interest expense, based on the net benefit liability of £227,000 is recognised in the Statement of Other Comprehensive Income. There has been no change in the defined benefit liability at either 1st April 2014 or 31st March 2015.

B Revaluation of tangible assets

In the company statement of financial position the fair value of the property at 1/4/14 is based on the sales value, as referred to in 'Post Balance Sheet Events', and the Directors have considered whether there is a material change in the fair value at 1/4/14 and based on a range of valuations from professionals in this period, no material difference has been identified.

Notes to the Consolidated Financial Statement

31st March 2016

25. Transition to FRS 102 - continued**C Other adjustments arising on transition to FRS 102.**

In addition to the transition adjustments identified above which affect profit for the financial year the following adjustments have arisen which have no effect on net equity or profit or loss but have affected the presentation of these items on the balance sheet. The main items are:

(i) Computer software, with a net book value of £293,000 at 1 April 2014 has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the Company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

26. 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 benefit scheme for eligible employees. Pension costs are charged to the Profit and Loss Account in the year to which they relate. The charge in 2016 was £Nil (2015: £Nil). The company's contribution to the defined contribution scheme is 5% of scheme salary. The company has no liability for the final value of individual members' 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 section 28 of FRS102 'Employee Benefits' by an independent qualified actuary using the projected unit method, based on the last full actuarial valuation as at 31st March 2013.

The disclosures below are provided in accordance with the requirements of FRS 102. 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 102 valuation is an updated actuarial valuation. A full actuarial valuation was carried out at 31st March 2013 and updated to 31st March 2016 by a qualified independent actuary, using the assumptions shown below.

The company paid contributions of £4,800,000 (2015: £660,000) over the period. On the 1st August 2012 the scheme was closed to future pension accrual.

The group has not recognised the surplus arising on the pension scheme valuations. This is on the basis that the group intends to use any surplus to fund an enhanced transfer value exercise and a buy out.

THE WEST OF ENGLAND TRUST LIMITED
Notes to the Consolidated Financial Statement
31st March 2016

26. Pension Schemes - continued

| | 31st March 2016 | 31 March 2015 |
|--|--------------------|--------------------|
| Principal actuarial assumptions | | |
| Discount rate | 3.40% | 3.10% |
| Inflation (CPI) | 2.50% | 2.00% |
| Revaluation in deferment | 2.50% | 2.00% |
| Pension increases (CPI up to 5%) | 2.50% | 2.00% |
| Mortality | | |
| • Base table | S1NXA YOB | S1NXA YOB |
| • Allowance for future improvements | CMI 2012 LTR 1% pa | CMI 2012 LTR 1% pa |
| Life expectancies from age 65 | | |
| • Male current age 65 | 22.4 | 22.4 |
| • Female current age 65 | 24.9 | 24.8 |
| • Male current age 45 | 23.8 | 23.7 |
| • Female current age 45 | 26.4 | 26.3 |
| Balance sheet position | | |
| | £,000 | £,000 |
| Present value of defined benefit obligation | 20,765 | 19,928 |
| Fair value of plan assets | 24,575 | 19,928 |
| Surplus/(Deficit) | 3,810 | - |
| Irrecoverable surplus | (3,810) | - |
| Net defined benefit liability | - | - |
| Net Assets Available for Benefits | | |
| Equities | 245 | 272 |
| Bonds | 16,315 | 16,442 |
| Property | 3,135 | 2,841 |
| Cash | 4,880 | 373 |
| Assets at the end of the period | 24,575 | 19,928 |
| Liabilities other than the actuarial present value of promised retirement benefits | - | - |
| Net assets available for benefits | 24,575 | 19,928 |
| Profit & Loss | | |
| Current service cost | - | - |
| Interest on net liability | - | - |
| Past service cost | - | - |
| Curtailments/Settlements | - | - |
| | - | - |
| | - | - |
| Actual return on plan assets | 168 | 3,036 |

Notes to the Consolidated Financial Statement

31st March 2016

26. Pension Schemes - continued

| Other Comprehensive Income (OCI) | £,000 | £,000 |
|--|----------------|--------------|
| Actual less interest income on plan assets | (450) | 2,344 |
| Experience gains and (losses) on liabilities | (190) | - |
| Change in assumptions | (350) | (3,276) |
| Movement in irrecoverable surplus | (3,810) | 272 |
| Actuarial gain/(loss) recognised in OCI | <u>(4,800)</u> | <u>(660)</u> |

Changes in Fair Value of Plan Assets

| | | |
|-----------------------------------|---------------|---------------|
| Opening fair value of plan assets | 19,928 | 16,615 |
| Employer contributions | 4,800 | 660 |
| Employee contributions | - | - |
| Benefit payments | (321) | (383) |
| Settlements | - | - |
| Special termination benefits | - | - |
| Interest income on plan assets | 618 | 692 |
| Actuarial gains (losses) | <u>(450)</u> | <u>2,344</u> |
| Closing fair value of plan assets | <u>24,575</u> | <u>19,928</u> |

Changes in Present Value of Defined Benefit Obligation

| | | |
|---|---------------|---------------|
| Opening defined benefit obligation | 19,928 | 16,343 |
| Current service cost (incl Life Assurance & exps) | - | - |
| Employees contributions | - | - |
| Interest cost | 618 | 692 |
| Benefits paid | (321) | (383) |
| Curtailments/Settlements | - | - |
| Special termination benefits | - | - |
| Plan amendments | - | - |
| Actuarial losses (gains) | <u>540</u> | <u>3,276</u> |
| Closing defined benefit obligation | <u>20,765</u> | <u>19,928</u> |

THE WEST OF ENGLAND TRUST LIMITED

**Independent Auditors Report to the Members Of
The West Of England Trust Limited**

Report on the financial statements

Our opinion

In our opinion, The West of England Trust Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31st March 2016 and of the group's profit and cashflows 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.

What we have audited

The financial statements, included with the Report and Financial Statements (the 'Annual Report'), comprise:

- the consolidated and company statements of financial position as at 31st March 2016;
- the consolidated income statement and consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting standards, comprising FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanation we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent Auditors Report to the Members Of
The West Of England Trust Limited**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

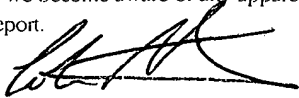
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Colin Bates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

31st October 2016

THE WEST OF ENGLAND TRUST LIMITED

List Of Subsidiaries

31st March 2016

Notation:

- ❖ denotes a direct subsidiary of the West of England Trust Limited
- * denotes a direct subsidiary of Jordans Limited
- † denotes an indirect subsidiary of Jordans Limited
- ✦ denotes a direct subsidiary of Jordans Trust Company Limited
- ◆ denotes an indirect subsidiary of Jordans Trust Company Limited
- ◇ denotes a direct subsidiary of Jordans Corporate Law Limited

1 Trading companies

- ❖ Jordans Limited
21 St Thomas Street, Bristol BS1 6JS
20 - 22 Bedford Row, London WC1R 4JS
4th Floor, 115 George Street, Edinburgh EH2 4JN
- ❖ Jordans Trust Company Limited
21 St Thomas Street, Bristol BS1 6JS
20 - 22 Bedford Row, London WC1R 4JS
- * Jordans Corporate Law Limited
21 St Thomas Street, Bristol BS1 6JS
- * Jordans (Scotland) Limited - trading as Oswalds
4th Floor, 115 George Street, Edinburgh EH2 4JN
- ❖ Jordan Publishing Limited
21 St Thomas Street, Bristol BS1 6JS
- ✦ Jordans Trust Company (Cyprus) Limited
41-43 Klimentos Street, Klimentos Tower, Office 26, 2nd Floor, 1061 Nicosia, Cyprus
- ✦ Jordans Trust Company (Jersey) Limited
Portman House, 32 Hue Street, St Helier, Jersey JE4 5RP
- ✦ Jordans Trust Company (BVI) Limited
Geneva Place, Waterfront Drive, Road Town, Tortola, British Virgin Islands
- ✦ Jordans Trust Company (Seychelles) Limited
Suite 3, First Floor, La Ciotat Building, Mont Fleuri PO Box 438, Mahé, Seychelles
- ✦ Jordans (Hong Kong) Limited
Suite 1004, 10th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

2 Non-trading companies - Jordans Limited

2.1 Registered in England & Wales:

- * Expressco Limited
- * Express Company Registrations Limited
- * Express Company Secretaries Limited
- * FAME Limited
- * Incorporator Limited
- * Instant Companies Limited
- ◇ Instant Nominees Limited
- ◇ Jordan & Sons Limited
- ◇ Jordan Group Limited
- * Jordan Secretaries Limited
- * Jordans Accounting Services Limited

Jordans Business Information Limited

- * Jordans Law Limited
- * Jordans 150 Limited (also a subsidiary of Jordan Publishing Limited)
- * Jordans Property Services Limited
- * Just Companies Limited
- * Just Data Limited
- * Paillex Nominees Limited
- * Paillex Secretaries Limited
- * Swift Incorporations Limited
- ◇ Swift Nominees Limited
- * The Citizens Company Limited
- * Jordans Legal Limited
- * Nameguard Limited

2.2 Registered in Scotland:

- † Jordan Nominees (Scotland) Limited
- † Oswalds of Edinburgh Limited

2.3 Registered in Isle of Man:

- * Geneva Nominees (IOM) Limited (formerly Jordan Nominees (I.O.M.) Limited)

2.4 Registered in Cyprus:

- ◆ Jordan Management Services (Cyprus) Limited
- ◆ Jordan Company Secretaries (Cyprus) Limited
- ◆ Jordan Company Administration Services Limited
- ◆ Jordans Nominees (Cyprus) Limited
- ◆ Jordan Trustees (Cyprus) Limited
- ◆ Saelious Services Limited

2.5 Registered in Jersey:

- ◆ Jordans (Jersey) Limited

- ◆ Corporate Services Direct (Jersey) Limited

- ◆ Jordan Trustees (C.I.) Limited
- ◆ Jordan Trustees (Jersey) Limited
- ◆ Monitor Holdings Limited
- ◆ Primary Holdings Limited
- ◆ Jordans (Offshore) Limited

2.6 Registered in BVI:

- ◆ Saavadra Registrars Limited
- ◆ Jordan Nominees (BVI) Limited
- ◆ Jordan Company Secretaries (BVI) Limited
- ◆ Mancorp Limited
- ◆ Jordans Trustees (BVI) Limited

2.7 Registered in Seychelles:

- ◆ Bedford (Seychelles) Limited
- ◆ Jordan Nominees (Seychelles) Limited
- ◆ Jordan Secretaries (Seychelles) Limited
- ◆ Jordan Management Limited
- ◆ Jordan Trustees (Seychelles) Limited
- ◆ Corpman Limited

2.8 Registered in Jersey:

- ◆ Moulton Limited (member - Jordans Trust Company (Jersey) Limited)
- ◆ Berwin Limited (member - Jordans (Jersey) Limited)

2.9 Registered in Hong Kong:

- ◆ Bedford No 1 (Hong Kong) Limited
- ◆ Bedford No 2 (Hong Kong) Limited
- ◆ Corpman (Hong Kong) Limited
- ◆ Jordan Cosec (Hong Kong) Limited

3 Non-trading companies - Jordans Trust Company Limited

3.1 Registered in England & Wales:

- ✦ Bedford Nominees (UK) Limited
- ✦ Bedford Nominees No 2 Limited
- ✦ Bedford No 3 Limited
- ✦ Corpman (UK) Limited
- ✦ Jordan Cosec Limited
- ✦ Jordan Trustees (UK) Limited
- ✦ Mancorp (UK) Limited
- ✦ Registered Share Nominees Limited
- ✦ Jordan Company Secretaries Limited