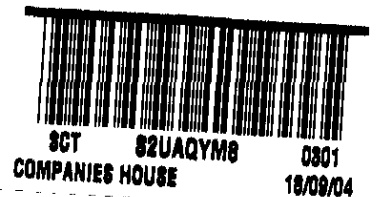


Registrar

COMPANY REGISTRATION NUMBER SC86113

**INTEGRATED ENGINEERING SERVICES
(ABERDEEN) LIMITED
ABBREVIATED ACCOUNTS
FOR
31 DECEMBER 2003**



WILLIAMSON & DUNN

Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

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INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was the provision of expertise in the engineering fields of heating, ventilation and air conditioning.

The company has experienced a successful and profitable year in 2003 and has achieved its yearly aim of increasing growth.

The company experienced a general decline in the North Sea Petrochemical industry in 2003, but counter-acted this by targeting new areas of work, from both the onshore and international markets in its fields.

It still anticipates turnover to increase in 2004 and looks forward to maintaining an increase in profits over or in line with previous years.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2003	1 January 2003
Mr J T Dunlevy	400	750
Mrs R E Dunlevy	350	100
Mr J Edmond	200	150
Mr G Finnie	50	—

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

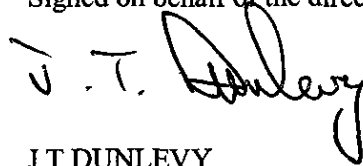
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Williamson & Dunn as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
18 Bon Accord Square
Aberdeen
AB11 6DJ

Signed on behalf of the directors



J T DUNLEVY
Director

Approved by the directors on 13/9/04.....

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 17, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with those provisions.

Williamson & Dunn CA.

WILLIAMSON & DUNN

Chartered Accountants & Registered Auditors

3 West Craibstone Street

Aberdeen

AB11 6YW

12/9/04

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
GROSS PROFIT		2,370,158	2,229,539
OPERATING COSTS:			
Staff costs	2	2,028,622	1,945,845
Depreciation written off fixed assets	3	29,989	16,640
Exceptional items	3	—	35,341
Other operating charges		217,155	164,451
OPERATING PROFIT	3	94,392	67,262
Interest receivable		4,241	6,824
Interest payable and similar charges	5	(2,187)	(3,566)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		96,446	70,520
Tax on profit on ordinary activities	6	24,503	12,015
RETAINED PROFIT FOR THE FINANCIAL YEAR		71,943	58,505
Balance brought forward		487,969	429,464
Balance carried forward		<u>559,912</u>	<u>487,969</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 17 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

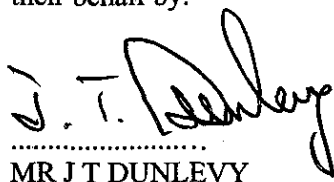
ABBREVIATED BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	59,345	83,405
CURRENT ASSETS			
Stocks	8	48,117	49,122
Debtors	9	780,244	638,113
Cash at bank and in hand		148,598	193,326
		<u>976,959</u>	<u>880,561</u>
CREDITORS: Amounts falling due within one year	10	<u>469,744</u>	<u>464,690</u>
NET CURRENT ASSETS		<u>507,215</u>	<u>415,871</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>566,560</u>	<u>499,276</u>
CREDITORS: Amounts falling due after more than one year	11	<u>4,675</u>	<u>6,942</u>
		<u>561,885</u>	<u>492,334</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	<u>973</u>	<u>3,365</u>
		<u>560,912</u>	<u>488,969</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,000	1,000
Profit and loss account		559,912	487,969
SHAREHOLDERS' FUNDS	19	<u>560,912</u>	<u>488,969</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 13/9/04 and are signed on their behalf by:


MR J T DUNLEVY

The notes on pages 7 to 17 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	20	(25,413)	45,687
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	2,054	3,258
TAXATION	20	(17,289)	(22,441)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(5,929)	(46,980)
CASH OUTFLOW BEFORE FINANCING		(46,577)	(20,476)
FINANCING	20	1,849	1,203
DECREASE IN CASH	20	<u>(44,728)</u>	<u>(19,273)</u>

The notes on pages 7 to 17 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 20% straight line
Fixtures & fittings	- 10% to 25% straight line
Motor vehicles	- 25% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profits.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of management staff	7	7
Number of offshore personnel	30	33
Number of other staff	13	15
	<u>50</u>	<u>55</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,769,466	1,711,977
Social security costs	195,099	173,158
Other pension costs	64,057	60,710
	<u>2,028,622</u>	<u>1,945,845</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	18,434	10,819
Depreciation of assets held under hire purchase agreements	10,058	5,709
Loss on disposal of fixed assets	1,497	112
Auditors' remuneration		
- as auditors	2,300	3,200
Operating lease costs:		
Land and buildings	14,086	14,086
Plant and equipment	4,883	2,630
Net loss/(profit) on foreign currency translation	1,205	(933)
Exceptional item - director's loan written off	<u>-</u>	<u>35,341</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	225,000	207,167
Value of company pension contributions to money purchase schemes	24,680	29,208
	<u>249,680</u>	<u>236,375</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

4. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2003	2002
	£	£
Total emoluments (excluding pension contributions)	90,000	91,000
Value of company pension contributions to money purchase schemes	20,000	24,000
	<u>110,000</u>	<u>115,000</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable on bank borrowing	552	1,247
Finance charges	1,190	2,162
Other similar charges payable	445	157
	<u>2,187</u>	<u>3,566</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	26,606	10,123
Over/under provision in prior year	289	—
Total current tax	<u>26,895</u>	<u>10,123</u>
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	(2,392)	1,892
Tax on profit on ordinary activities	<u>24,503</u>	<u>12,015</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>96,446</u>	<u>70,520</u>
Profit/(loss) on ord actvs by rate of tax	18,325	13,399
Disallowables for tax purposes	5,889	(2,038)
Timing differences	2,392	(1,366)
Change in tax rates	—	128
Underprovision in previous years	289	—
Total current tax (note 6(a))	<u>26,895</u>	<u>10,123</u>

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2003	66,795	116,993	48,470	232,258
Additions	—	8,329	—	8,329
Disposals	—	(41,555)	(9,750)	(51,305)
At 31 December 2003	<u>66,795</u>	<u>83,767</u>	<u>38,720</u>	<u>189,282</u>
DEPRECIATION				
At 1 January 2003	66,129	61,930	20,794	148,853
Charge for the year	182	18,869	9,441	28,492
On disposals	—	(40,705)	(6,703)	(47,408)
At 31 December 2003	<u>66,311</u>	<u>40,094</u>	<u>23,532</u>	<u>129,937</u>
NET BOOK VALUE				
At 31 December 2003	<u>484</u>	<u>43,673</u>	<u>15,188</u>	<u>59,345</u>
At 31 December 2002	<u>666</u>	<u>55,063</u>	<u>27,676</u>	<u>83,405</u>

Hire purchase agreements

Included within the net book value of £59,345 is £25,822 (2002 - £23,048) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £10,058 (2002 - £5,709).

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

8. STOCKS

	2003	2002
	£	£
Stock	<u>48,117</u>	<u>49,122</u>

9. DEBTORS

	2003	2002
	£	£
Trade debtors	703,921	597,196
VAT recoverable	11,174	17,378
Other debtors	60,576	19,563
Prepayments and accrued income	4,573	3,976
	<u>780,244</u>	<u>638,113</u>

10. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Trade creditors	276,693	270,150
Other creditors including taxation and social security:		
Corporation tax	26,606	17,000
PAYE and social security	57,281	51,903
Hire purchase agreements	12,309	8,193
Other creditors	92,608	113,821
Loans from directors	4,247	3,623
	<u>193,051</u>	<u>194,540</u>
	<u>469,744</u>	<u>464,690</u>

11. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Other creditors:		
Hire purchase agreements	<u>4,675</u>	<u>6,942</u>

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003	2002
	£	£
Amounts payable within 1 year	12,309	8,193
Amounts payable between 2 to 5 years	4,675	6,942
	<u>16,984</u>	<u>15,135</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

13. PENSIONS

The company operates defined contribution pension schemes on behalf of its directors and employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are paid based upon the recommendations of a qualified actuary. The annual commitment under these schemes are for contributions of £64,057 (2002 - £69,592). There were no contributions prepaid or outstanding at the 31 December 2003.

14. DEFERRED TAXATION

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	3,365	1,473
Profit and loss account movement arising during the year	(2,392)	1,892
Provision carried forward	<u>973</u>	<u>3,365</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	973	3,365
	<u>973</u>	<u>3,365</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 2 to 5 years	<u>14,086</u>	<u>6,021</u>	<u>14,086</u>	<u>-</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

16. CONTINGENCIES

The company has granted a cross guarantee without limit in favour of the Clydesdale Bank plc between itself and the following companies in which Mr J T Dunlevy has an interest.

Integrated Engineering Design (Aberdeen) Limited
Integrated Catering Equipment (UK) Limited
Container Company (Aberdeen) Limited
The Test House(UK) Limited
Wellington Property Holdings Limited

At 31 December 2003 the potential liability was £519,864 (2002 - £484,133).

17. RELATED PARTY TRANSACTIONS

The company was under the control of Mr J T Dunlevy throughout the current and previous year. Mr J T Dunlevy is the managing director and together, with his wife, controls a majority of the shares in the company.

During the year various administration costs incurred by the companies occupying Lomond House were recharged amongst each other on a cost basis. In addition the companies traded with each other on a commercial basis. Mr J T Dunlevy is a common shareholder in each of the companies. The value of the transactions during the year and the amounts outstanding were as follows:-

	Sales £	Sales ledger £
Container Company (Aberdeen) Limited	8,459	6,849
Integrated Catering Equipment (UK) Limited	39,367	6,172
	Purchases £	Purchase ledger £
Container Company (Aberdeen) Limited	13,208	1,172
Integrated Catering Equipment (UK) Limited	2,402	451
Wellington Property Holdings Limited	18,666	(554)

Mr J T Dunlevy is also the controlling shareholder and a director of Wellington Property Holdings Limited which owns Lomond House. The rent payable during the year was £14,086 (2002 - £14,086). In addition, loans were advanced to Container Company (Aberdeen) Limited during the year. The balance due from Container Company (Aberdeen) Limited at the year-end was £48,000 (2002 - £9,500).

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

18. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	71,943	58,505
Opening shareholders' equity funds	<u>488,969</u>	<u>430,464</u>
Closing shareholders' equity funds	<u>560,912</u>	<u>488,969</u>

20. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2003	2002
	£	£
Operating profit	94,392	67,262
Depreciation	28,492	16,528
Loss on disposal of fixed assets	1,497	112
Decrease in stocks	1,005	3,668
Increase in debtors	(142,131)	(25,277)
Decrease in creditors	<u>(8,668)</u>	<u>(16,606)</u>
Net cash (outflow)/inflow from operating activities	<u>(25,413)</u>	<u>45,687</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2003	2002
	£	£
Interest received	4,241	6,824
Interest paid	(997)	(1,404)
Interest element of hire purchase	<u>(1,190)</u>	<u>(2,162)</u>
Net cash inflow from returns on investments and servicing of finance	<u>2,054</u>	<u>3,258</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

TAXATION

	2003	2002
	£	£
TAXATION	<u>(17,289)</u>	<u>(22,441)</u>

CAPITAL EXPENDITURE

	2003	2002
	£	£
Payments to acquire tangible fixed assets	(8,329)	(54,497)
Receipts from sale of fixed assets	<u>2,400</u>	<u>7,517</u>
Net cash outflow from capital expenditure	<u>(5,929)</u>	<u>(46,980)</u>

FINANCING

	2003	2002
	£	£
Capital element of hire purchase	<u>1,849</u>	<u>1,203</u>
Net cash inflow from financing	<u>1,849</u>	<u>1,203</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003	2002
	£	£
Decrease in cash in the period	(44,728)	(19,273)
Cash outflow in respect of hire purchase	<u>(1,849)</u>	<u>(1,203)</u>
	(46,577)	(20,476)
Change in net funds	(46,577)	(20,476)
Net funds at 1 January 2003	<u>178,191</u>	<u>198,667</u>
Net funds at 31 December 2003	<u>131,614</u>	<u>178,191</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2003 £	Cash flows £	At 31 Dec 2003 £
Net cash:			
Cash in hand and at bank	<u>193,326</u>	<u>(44,728)</u>	<u>148,598</u>
Debt:			
Hire purchase agreements	<u>(15,135)</u>	<u>(1,849)</u>	<u>(16,984)</u>
Net funds	<u>178,191</u>	<u>(46,577)</u>	<u>131,614</u>