

COMPANY REGISTRATION NUMBER SC86113

**INTEGRATED ENGINEERING SERVICES
(ABERDEEN) LIMITED**

ABBREVIATED ACCOUNTS

31ST DECEMBER 2011



ANDREW PHILIP
Chartered Accountants & Statutory Auditor
49 Carden Place
ABERDEEN
AB10 1UN

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2011

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INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr J T Dunlevy
Mrs R E Dunlevy
Mr J Edmond
Mr G L Finnie

Company secretary

Brodie's Secretarial Services Limited

Registered office

Lomond House
Wellington Circle
Altens
Aberdeen
AB12 3JG

Auditor

Andrew Philip
Chartered Accountants
& Statutory Auditor
49 Carden Place
ABERDEEN
AB10 1UN

Bankers

Clydesdale Bank PLC
Financial Solutions Centre
56 Carden Place
Aberdeen
AB10 1UP

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of expertise in the engineering fields of heating, ventilation, air conditioning and refrigeration engineering services. During the year the company also diversified into the provision of doors for the offshore market along with general maintenance of the same products.

Despite previous uncertainty in the marketplace a period of growth took place during 2011 to show a rise in turnover of 39.08% in comparison with the previous year. There was a slight fall in the gross profit percentage from 25.5% to 25.1% and this takes into account the accounting policy change agreed in 2010. There was an increase in administrative expenses of 24.03% which was reflected across all aspects of the operation of the business. An increase in the net profit margin represented a rise by 1.18% to 12.95% and an increase in Profit before Taxation of 53%.

The company continued to expand throughout 2011 and is still continuing to grow in the current period through the relevant sectors of its business in the engineering fields currently supported. As indicated in 2010 the company proceeded to open an office in Great Yarmouth and despite minor difficulties in this area it is proving beneficial. The growth shown in the business confirms that the strategy of the company has proven to be effective along with the continued support of its clients. The onshore marketplace has not been as effective a business proposition and therefore the company has decided to extend its commitment within the current business opportunities showing good profitable returns. It is the view of the company that in 2012 the business will continue to grow and profits will be maintained in a similar line to that of this financial year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,079,877. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial assets and liabilities consist of trade debtors, creditors and cash balances.

The directors manage the company's exposure to financial risk by researching the credit worthiness of customers and by seeking advice from the company's providers of finance and its other external financial advisers.

Currency risk is restricted to the short term settlement of trading balances with customers and suppliers.

The company does not trade speculatively in derivatives or similar instruments.

DIRECTORS

The directors who served the company during the year were as follows:

Mr J T Dunlevy
Mrs R E Dunlevy
Mr J Edmond
Mr G L Finnie

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2011

DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2011

DONATIONS

During the year the company made the following contributions:

	2011 £	2010 £
Charitable	<u>1,550</u>	<u>4,295</u>

During the year the company contributed general donations of £550 to The Diced Cap Charitable Trust, £150 to Race for life, £250 to Maggie's Cancer Caring Centre, £500 to the Anchor Unit and £100 to the Madderty Community Association.

In addition to the above, general donations totalling £1,276 were also made to a number of other charities.

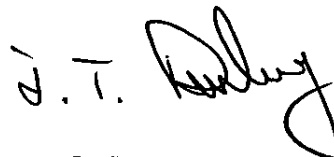
Other	<u>1,276</u>	<u>200</u>
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AUDITOR

Andrew Philip are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Registered office:
Lomond House
Wellington Circle
Altens
Aberdeen
AB12 3JG

Signed on behalf of the directors



J T DUNLEVY

DIRECTOR

Approved by the directors on 27 September 2012

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



GEORGE MORRISON CA (Senior
Statutory Auditor)
For and on behalf of
ANDREW PHILIP
Chartered Accountants
& Statutory Auditor

49 Carden Place
ABERDEEN
AB10 1UN

27 September 2012

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2011

		2011	2010 (restated)
	Note	£	£
TURNOVER		11,773,910	8,465,439
Cost of Sales and Other operating income		8,664,468	6,182,188
Administrative expenses		1,604,977	1,291,166
OPERATING PROFIT	2	1,504,465	992,085
Interest receivable		21,841	10,101
Interest payable and similar charges	5	(1,967)	(5,880)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,524,339	996,306
Tax on profit on ordinary activities	6	444,462	274,999
PROFIT FOR THE FINANCIAL YEAR		1,079,877	721,307

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

The notes on pages 11 to 23 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	£	(restated)
		£
Profit for the financial year attributable to the shareholders	1,079,877	721,307
Total recognised gains and losses relating to the year	1,079,877	721,307
Prior year adjustment	—	(64,504)
Total gains and losses recognised since the last annual report	1,079,877	656,803

The notes on pages 11 to 23 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

ABBREVIATED BALANCE SHEET

31ST DECEMBER 2011

		2011		2010 (restated)	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	7		194,361		132,919
CURRENT ASSETS					
Stocks	8	11,043		12,040	
Debtors	9	4,211,480		2,468,411	
Cash at bank and in hand		1,500,879		1,557,774	
		5,723,402		4,038,225	
CREDITORS: Amounts falling due within one year	10	1,754,744		1,090,659	
NET CURRENT ASSETS			3,968,658		2,947,566
TOTAL ASSETS LESS CURRENT LIABILITIES			4,163,019		3,080,485
CREDITORS: Amounts falling due after more than one year	11		1,667		11,739
PROVISIONS FOR LIABILITIES					
Deferred taxation	14		26,988		14,259
			4,134,364		3,054,487
CAPITAL AND RESERVES					
Called-up equity share capital	17		1,000		1,000
Profit and loss account	18		4,133,364		3,053,487
SHAREHOLDERS' FUNDS	18		4,134,364		3,054,487

The Balance sheet continues on the following page.

The notes on pages 11 to 23 form part of these abbreviated accounts.

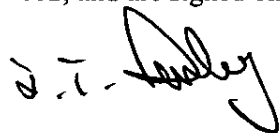
INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

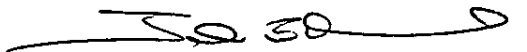
31ST DECEMBER 2011

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 27 September 2012, and are signed on their behalf by:



MR J T DUNLEVY
DIRECTOR



MR J EDMOND
DIRECTOR

Company Registration Number: SC86113

The notes on pages 11 to 23 form part of these abbreviated accounts.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2011

		2011		2010 (restated)	
	Note	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		151,252		1,018,714
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	19		19,874		4,221
TAXATION	19		(356,906)		(477,595)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	19		(127,833)		(73,739)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(313,613)		471,601
FINANCING	19		195,107		(31,191)
(DECREASE)/INCREASE IN CASH	19		<u>(118,506)</u>		<u>440,410</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

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

Change of accounting policies

The company has adopted a change of accounting policy in connection with both the method of valuation and the classification of work in progress at 31 December 2011. The change of accounting policy is based on the terms of Urgent Issue Task Force abstract 40 under which the valuing of work in progress at sales value is thought to be more appropriate to the company's circumstances. Work in progress is now stated at sales value whereas in previous years' accounts it was stated at direct cost plus attributable overheads based on normal level of activity and no element of profit was included. As a result of this change in basis of valuation, work in progress has now also been re-classified as accrued income within debtors in the Balance Sheet and sales in the Profit and Loss Account as opposed to being shown under stock in the Balance Sheet and cost of sales in the Profit and Loss Account. The effect of this change in method of valuation is an increase in the value of accrued income at 31 December 2011 amounting to £135,478.

The work in progress figure at 31 December 2010 has also been adjusted to sales value and re-classified as accrued income on an estimated basis and this has had the effect of increasing the value at that date by £64,504. In the balance sheet work in progress has been reduced by £313,987 to nil and accrued income has been increased by £378,491. In the Profit and Loss Account sales have increased by £378,491 and cost of sales have increased by £313,987.

The overall effect of these changes on the company's results is an uplift in the profit before taxation of £70,974 in the year ended 31 December 2011 and £64,504 in the year ended 31 December 2010.

In addition the company has adopted a change of accounting policy in connection with the classification of late sales invoices at 31 December 2011. This debtor is now shown under prepayments and accrued income as opposed to being included in trade debtors and the comparative figures at 31 December 2010 have been restated accordingly. The amounts involved are £686,204 at 31 December 2011 and £346,921 at 31 December 2010.

The company has also adopted a change of accounting policy in connection with the classification of direct pension costs and these have been re-classified under cost of sales as opposed to administrative expenses. As a result of this, cost of sales has increased by £59,233 in the current year and £38,176 in the previous year and administrative expenses have decreased by £59,233 in the current year and £38,176 in the previous year.

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, in respect of heating, ventilation, air conditioning and refrigeration engineering services.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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	- 10% - 20% straight line
Fixtures & Fittings	- 20% - 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 defined contribution pension schemes on behalf of its directors and employees and on behalf of certain employees of its associated companies. The assets of the schemes 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 31ST DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

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 profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2011	2010 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	42,641	25,599
Depreciation of assets held under hire purchase agreements	23,750	23,239
Profit on disposal of fixed assets	—	(7,280)
Auditor's remuneration		
- as auditor	7,525	6,000
Operating lease costs:		
- Other	97,921	84,787
Net loss on foreign currency translation	<u>6,339</u>	<u>5,696</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

3. PARTICULARS OF EMPLOYEES

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

	2011	2010 (restated)
	No	No
Number of production staff	83	68
Number of sales & distribution staff	4	4
Number of administrative staff	8	9
	<u>95</u>	<u>81</u>

The aggregate payroll costs of the above were:

	2011	2010 (restated)
	£	£
Wages and salaries	4,507,142	3,725,027
Social security costs	529,442	419,848
Other pension costs	181,805	118,608
	<u>5,218,389</u>	<u>4,263,483</u>

Included in the above aggregate payroll costs are various costs amounting to £107,922 (2010 - £74,301) which have been recharged to certain associated companies during the year. These recharges are included in other operating income as disclosed in Note 3.

4. DIRECTORS' REMUNERATION

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

	2011	2010 (restated)
	£	£
Aggregate remuneration	436,303	403,267
Value of company pension contributions to money purchase schemes	39,500	34,250
	<u>475,803</u>	<u>437,517</u>

Remuneration of highest paid director:

	2011	2010 (restated)
	£	£
Total remuneration (excluding pension contributions)	<u>170,504</u>	<u>159,523</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

4. DIRECTORS' REMUNERATION *(continued)*

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

	2011	2010 <i>(restated)</i>
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

Included in the above directors' aggregate remuneration is pension costs amounting to £5,000 (2010 - nil) which have been recharged to an associated company during the year. These recharges are included in other operating income as disclosed in Note 3.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	30	38
Finance charges	1,937	3,668
Interest on corporation tax	<u>—</u>	<u>2,174</u>
	<u>1,967</u>	<u>5,880</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010 <i>(restated)</i>
	£	£
Current tax:		
UK Taxation		
In respect of the year:		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	431,490	266,115
Foreign tax		
Current tax on income for the year	<u>243</u>	<u>—</u>
Total current tax	431,733	266,115
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	<u>12,729</u>	<u>8,884</u>
Tax on profit on ordinary activities	<u>444,462</u>	<u>274,999</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

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 26% (2010 - 28%).

	2011 £	2010 <i>(restated)</i> £
Profit on ordinary activities before taxation	<u>1,524,339</u>	<u>996,306</u>
Profit on ordinary activities by rate of tax	396,328	278,966
Expenses disallowed for tax	24,279	14,094
Change in tax rates	7,859	-
Tax effect of prior year adjustment	16,771	(18,061)
Excess of capital allowances over depreciation	(13,747)	(8,884)
Irrecoverable withholding tax	243	-
Total current tax (note 6(a))	<u>431,733</u>	<u>266,115</u>

7. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
COST				
At 1st January 2011	96,292	138,076	41,664	276,032
Additions	27,108	82,225	18,500	127,833
At 31st December 2011	<u>123,400</u>	<u>220,301</u>	<u>60,164</u>	<u>403,865</u>
DEPRECIATION				
At 1st January 2011	40,976	84,966	17,171	143,113
Charge for the year	19,858	36,994	9,539	66,391
At 31st December 2011	<u>60,834</u>	<u>121,960</u>	<u>26,710</u>	<u>209,504</u>
NET BOOK VALUE				
At 31st December 2011	<u>62,566</u>	<u>98,341</u>	<u>33,454</u>	<u>194,361</u>
At 31st December 2010	<u>55,316</u>	<u>53,110</u>	<u>24,493</u>	<u>132,919</u>

Hire purchase agreements

Included within the net book value of £194,361 is £29,458 (2010 - £53,209) 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 £23,750 (2010 - £23,239).

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

8. STOCKS

	2011	2010 (restated)
	£	£
Stock	<u>11,043</u>	<u>12,040</u>

9. DEBTORS

	2011	2010 (restated)
	£	£
Trade debtors	2,493,890	1,642,389
VAT recoverable	132,042	19,283
Loan to associated company	88,043	60,508
Other debtors	18,651	4,861
Prepayments and accrued income	1,478,854	741,370
	<u>4,211,480</u>	<u>2,468,411</u>

10. CREDITORS: Amounts falling due within one year

	2011	2010 (restated)
	£	£
Overdrafts	67,336	5,725
Trade creditors	719,871	437,208
Other creditors including taxation and social security:		
Corporation tax	200,942	126,115
PAYE and social security	173,077	133,272
Hire purchase agreements	10,073	12,893
Accruals and deferred income	<u>583,445</u>	<u>375,446</u>
	967,537	647,726
	<u>1,754,744</u>	<u>1,090,659</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

10. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2011	2010 <i>(restated)</i>
	£	£
Overdrafts	67,336	5,725
Hire purchase agreements	10,073	12,893
	<u>77,409</u>	<u>18,618</u>

The overdrafts are secured by a floating charge from Integrated Engineering Services (Aberdeen) Limited and by cross guarantees, without limit, from Integrated Catering Equipment (UK) Limited, The Test House UK Limited, Container Company (Aberdeen) Limited and Wellington Property Holdings Limited.

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

	2011	2010 <i>(restated)</i>
	£	£
Other creditors:		
Hire purchase agreements	<u>1,667</u>	<u>11,739</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2011	2010 <i>(restated)</i>
	£	£
Hire purchase agreements	<u>1,667</u>	<u>11,739</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2011	2010 (restated)
	£	£
Amounts payable within 1 year	11,590	14,830
Amounts payable between 2 to 5 years	1,798	13,487
	<u>13,388</u>	<u>28,317</u>
Less interest and finance charges relating to future periods	(1,648)	(3,685)
	<u>11,740</u>	<u>24,632</u>
Hire purchase agreements are analysed as follows:		
Current obligations	10,073	12,893
Non-current obligations	1,667	11,739
	<u>11,740</u>	<u>24,632</u>

13. PENSIONS

The company operates a defined contribution pension schemes on behalf of its directors and employees and on behalf of directors and employees of its associated companies. The company then recharges certain pension costs to other associated companies as shown below. 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 £181,805 (2010 - £118,608) and the amount recharged is £81,070 (2010 - £43,829). The amount outstanding at the 31 December 2011 was £16,237 (2010 - £15,813) and the recharge accrued is £5,866 (2010 - £5,099).

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2011	2010 (restated)
	£	£
Provision brought forward	14,259	5,375
Profit and loss account movement arising during the year	12,729	8,884
Provision carried forward	<u>26,988</u>	<u>14,259</u>

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14. DEFERRED TAXATION *(continued)*

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

	2011	2010 <i>(restated)</i>
	£	£
Excess of taxation allowances over depreciation on fixed assets	26,988	14,259
	<u>26,988</u>	<u>14,259</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2011	2010 <i>(restated)</i>
	£	£
Operating leases which expire:		
Within 2 to 5 years	100,030	84,787
After more than 5 years	9,000	-
	<u>109,030</u>	<u>84,787</u>

A lease with Bessemer Estates Limited for the use of Unit 5, Bessemer Way, Harfreys Industrial Estate, Great Yarmouth commenced on 24th October 2011. The duration of this lease is for nine years and the first years rental is £9,000, this increases in year two to £11,500 and in year three to £13,500. There will be a rental review at the end of year three.

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. Mrs R.E. Dunlevy is a shareholder in Wellington Property Holdings Limited and Mr J. Edmond is a shareholder in Integrated Catering Equipment (UK) Limited and Wellington Property Holdings Limited.

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

At 31 December 2011 the potential liability was £395,768. (2010 - £451,965).

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010 (restated)	
	No	£	No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total share- holders' funds
	£	£	£
Balance brought forward	1,000	2,332,180	2,333,180
Profit for the year	—	721,307	721,307
Balance brought forward	1,000	3,053,487	3,054,487
Profit for the year	—	1,079,877	1,079,877
Balance carried forward	<u>1,000</u>	<u>4,133,364</u>	<u>4,134,364</u>

The profit for the year of £721,307 for 2010 includes the prior year adjustment of £64,504.

19. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010 (restated)
	£	£
Operating profit	1,504,465	992,085
Depreciation	66,391	48,838
Profit on disposal of fixed assets	—	(7,280)
Decrease in stocks	997	232,796
Increase in debtors	(1,743,069)	(122,627)
Increase/(decrease) in creditors	322,468	(125,098)
Net cash inflow from operating activities	<u>151,252</u>	<u>1,018,714</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

19. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011	2010 <i>(restated)</i>
	£	£
Interest received	21,841	10,101
Interest paid	(30)	(2,212)
Interest element of hire purchase	<u>(1,937)</u>	<u>(3,668)</u>
Net cash inflow from returns on investments and servicing of finance	<u>19,874</u>	<u>4,221</u>

TAXATION

	2011	2010 <i>(restated)</i>
	£	£
Taxation	<u>(356,906)</u>	<u>(477,595)</u>

CAPITAL EXPENDITURE

	2011	2010 <i>(restated)</i>
	£	£
Payments to acquire tangible fixed assets	(127,833)	(88,739)
Receipts from sale of fixed assets	<u>—</u>	<u>15,000</u>
Net cash outflow from capital expenditure	<u>(127,833)</u>	<u>(73,739)</u>

FINANCING

	2011	2010 <i>(restated)</i>
	£	£
Net inflow/(outflow) from other short-term creditors	207,999	(16,188)
Capital element of hire purchase	<u>(12,892)</u>	<u>(15,003)</u>
Net cash inflow/(outflow) from financing	<u>195,107</u>	<u>(31,191)</u>

INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2011

19. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011		2010 <i>(restated)</i>	
	£	£	£	£
(Decrease)/increase in cash in the period	(118,506)		440,410	
Net (inflow) from/outflow from other short-term creditors	(207,999)		16,188	
Cash outflow in respect of hire purchase	<u>12,892</u>		<u>15,003</u>	
		(313,613)		471,601
Change in net funds		(313,613)		471,601
Net funds at 1 January 2011		<u>1,151,971</u>		<u>680,370</u>
Net funds at 31 December 2011		<u>838,358</u>		<u>1,151,971</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2011 £	Cash flows £	At 31 Dec 2011 £
Net cash:			
Cash in hand and at bank	1,557,774	(56,895)	1,500,879
Overdrafts	(5,725)	(61,611)	(67,336)
	<u>1,552,049</u>	<u>(118,506)</u>	<u>1,433,543</u>
Debt:			
Debt due within 1 year	(375,446)	(207,999)	(583,445)
Hire purchase agreements	(24,632)	12,892	(11,740)
	<u>(400,078)</u>	<u>(195,107)</u>	<u>(595,185)</u>
Net funds	<u>1,151,971</u>	<u>(313,613)</u>	<u>838,358</u>