

COMPANY REGISTRATION NUMBER SC86113

**INTEGRATED ENGINEERING SERVICES  
(ABERDEEN) LIMITED  
ABBREVIATED ACCOUNTS**

**31ST DECEMBER 2012**



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

# **INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2012**

---

| <b>CONTENTS</b>                             | <b>PAGES</b> |
|---------------------------------------------|--------------|
| Officers and professional advisers          | 1            |
| The directors' report                       | 2 to 4       |
| Independent auditor's report to the company | 5            |
| Abbreviated profit and loss account         | 6            |
| Abbreviated balance sheet                   | 7 to 8       |
| Cash flow statement                         | 9            |
| Notes to the abbreviated accounts           | 10 to 20     |

---

# **INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

---

**The board of directors**

Mr J T Dunlevy  
Mr J Edmond  
Mr G L Finnie

**Company secretary**

Brodies 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  
1 Queen's Cross  
Aberdeen  
AB15 4XU

# **INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31ST DECEMBER 2012**

---

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2012.

#### **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 continued to expand the provision of doors for the offshore market and this area of the business is showing good growth.

Despite general uncertainty in the marketplace a similar period of growth has taken place in the company and has shown a rise in turnover of 15.58% in comparison with the previous year. There was a slight increase in the gross profit percentage from 25.1% to 25.7%. There was an increase in administrative expenses of 23.42% across all aspects of the operation of the business. The company took a strategic review to increase the training budget for 2012 and this would account for a large portion of this increase. A small decrease in the net profit margin represented a fall by 0.27% to 12.68% and there was an increase in the Profit before Taxation of 13.2% on the 2011 figures.

The strategic review undertaken in 2011 for 2012 has shown that the correct decisions were taken and resulted in another successful year with continued growth. All of the areas of business looked at and strengthened by recruitment of new personnel have allowed the company to gain new contracts and retain and extend the current contracts up for renewal. There are still difficult areas of the sector to overcome and the company feels that by strengthening their current workforce this will allow it to expand further in the future. A strategic approach to the international marketplace may be another area for the company to consider over the coming year and putting together a strong strategy for the long term future of the business separate from the current marketplace. The recruitment of a new sales manager at the end of 2012 is another way to extend the knowledge of the services available to the oil and gas sector that the company can offer and it is believed that this alone will show and contribute good growth for the coming years.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,264,242. 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 considering 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

# **INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31ST DECEMBER 2012**

---

Mrs R E Dunlevy  
Mr J Edmond  
Mr G L Finnie

Mrs Rosaleen Elizabeth Dunlevy retired as a director of Integrated Engineering Services (Aberdeen) Limited as of 27 March 2013.

### **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 year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 2012

---

### DONATIONS

During the year the company made the following contributions:

|                                                                        | 2012<br>£    | 2011<br>£    |
|------------------------------------------------------------------------|--------------|--------------|
| Charitable                                                             | -            | <u>1,550</u> |
| General donations totalling £2,890 were made to a number of charities. |              |              |
| Other                                                                  | <u>2,890</u> | <u>1,276</u> |

### 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 2nd May 2013

# **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 31st December 2012 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**

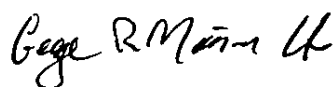
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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

2nd May 2013

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2012**

|                                                      | Note     | 2012<br>£         | 2011<br>£         |
|------------------------------------------------------|----------|-------------------|-------------------|
| <b>TURNOVER</b>                                      |          | <b>13,607,732</b> | <b>11,773,910</b> |
| Cost of Sales and Other operating income             |          | 9,925,517         | 8,664,468         |
| Administrative expenses                              |          | 1,980,927         | 1,604,977         |
| <b>OPERATING PROFIT</b>                              | <b>2</b> | <b>1,701,288</b>  | <b>1,504,465</b>  |
| Interest receivable                                  |          | 26,462            | 21,841            |
| Interest payable and similar charges                 | <b>5</b> | <b>(2,165)</b>    | <b>(1,967)</b>    |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>1,725,585</b>  | <b>1,524,339</b>  |
| Tax on profit on ordinary activities                 | <b>6</b> | <b>461,343</b>    | <b>444,462</b>    |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 |          | <b>1,264,242</b>  | <b>1,079,877</b>  |

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 10 to 20 form part of these abbreviated accounts.

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## ABBREVIATED BALANCE SHEET

31ST DECEMBER 2012

|                                                                | Note | 2012<br>£        | 2011<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>FIXED ASSETS</b>                                            |      |                  |                  |
| Tangible assets                                                | 7    | 174,721          | 194,361          |
| <b>CURRENT ASSETS</b>                                          |      |                  |                  |
| Stocks                                                         | 8    | —                | 11,043           |
| Debtors                                                        | 9    | 4,618,094        | 4,211,480        |
| Cash at bank and in hand                                       |      | 2,207,765        | 1,500,879        |
|                                                                |      | <u>6,825,859</u> | <u>5,723,402</u> |
| <b>CREDITORS: Amounts falling due within one year</b>          | 10   | <u>1,583,817</u> | <u>1,754,744</u> |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>5,242,042</u> | <u>3,968,658</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <u>5,416,763</u> | <u>4,163,019</u> |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 11   | —                | 1,667            |
| <b>PROVISIONS FOR LIABILITIES</b>                              |      |                  |                  |
| Deferred taxation                                              | 14   | 18,157           | 26,988           |
|                                                                |      | <u>5,398,606</u> | <u>4,134,364</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                  |                  |
| Called-up equity share capital                                 | 16   | 1,000            | 1,000            |
| Profit and loss account                                        | 17   | 5,397,606        | 4,133,364        |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 18   | <u>5,398,606</u> | <u>4,134,364</u> |

The Balance sheet continues on the following page.

The notes on pages 10 to 20 form part of these abbreviated accounts.

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## ABBREVIATED BALANCE SHEET *(continued)*

31ST DECEMBER 2012

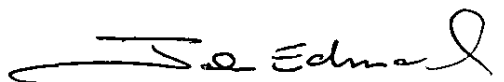
---

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 2nd May 2013, and are signed on their behalf by:



MR J T DUNLEVY  
DIRECTOR



MR J EDMOND  
DIRECTOR

Company Registration Number: SC86113

The notes on pages 10 to 20 form part of these abbreviated accounts.

---

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2012

|                                                    | Note | 2012<br>£ | 2011<br>£ |
|----------------------------------------------------|------|-----------|-----------|
| NET CASH INFLOW FROM<br>OPERATING ACTIVITIES       | 19   | 1,525,566 | 151,252   |
| RETURNS ON INVESTMENTS<br>AND SERVICING OF FINANCE | 19   | 24,297    | 19,874    |
| TAXATION                                           | 19   | (448,598) | (356,906) |
| CAPITAL EXPENDITURE AND<br>FINANCIAL INVESTMENT    | 19   | (48,628)  | (127,833) |
| CASH INFLOW/(OUTFLOW) BEFORE<br>FINANCING          |      | 1,052,637 | (313,613) |
| FINANCING                                          | 19   | (278,415) | 195,107   |
| INCREASE/(DECREASE) IN<br>CASH                     | 19   | 774,222   | (118,506) |

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

---

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**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.

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2012

---

### 1. ACCOUNTING POLICIES *(continued)*

#### Pension costs

The company operates defined contribution pension schemes on behalf of its directors and employees and on behalf of certain directors and 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 and the company then recharges the contributions which were paid on behalf of certain directors and employees of its associated companies to these other companies and these recharges are included in other operating income.

#### 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.

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

**2. OPERATING PROFIT**

Operating profit is stated after charging:

|                                                            | 2012<br>£    | 2011<br>£    |
|------------------------------------------------------------|--------------|--------------|
| Depreciation of owned fixed assets                         | 65,601       | 42,641       |
| Depreciation of assets held under hire purchase agreements | 1,542        | 23,750       |
| Loss on disposal of fixed assets                           | 1,125        | —            |
| Auditor's remuneration                                     |              |              |
| - as auditor                                               | 8,300        | 7,525        |
| Operating lease costs:                                     |              |              |
| - Other                                                    | 123,806      | 97,921       |
| Net loss on foreign currency translation                   | <u>3,877</u> | <u>6,339</u> |

**3. PARTICULARS OF EMPLOYEES**

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

|                                      | 2012<br>No | 2011<br>No |
|--------------------------------------|------------|------------|
| Number of production staff           | 106        | 83         |
| Number of sales & distribution staff | 4          | 4          |
| Number of administrative staff       | 11         | 8          |
|                                      | <u>121</u> | <u>95</u>  |

The aggregate payroll costs of the above were:

|                       | 2012<br>£        | 2011<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 5,718,066        | 4,507,142        |
| Social security costs | 673,283          | 529,442          |
| Other pension costs   | 304,574          | 181,805          |
|                       | <u>6,695,923</u> | <u>5,218,389</u> |

Included in the above aggregate payroll costs are various costs amounting to £119,305 (2011 - £107,922) which have been recharged to certain associated companies during the year. These recharges are included in other operating income as disclosed in Note 3.

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

---

**4. DIRECTORS' REMUNERATION**

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

|                                                                  | 2012           | 2011           |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | £              | £              |
| Aggregate remuneration                                           | 426,381        | 436,303        |
| Value of company pension contributions to money purchase schemes | 155,000        | 39,500         |
|                                                                  | <u>581,381</u> | <u>475,803</u> |

**Remuneration of highest paid director:**

|                                                      | 2012           | 2011           |
|------------------------------------------------------|----------------|----------------|
|                                                      | £              | £              |
| Total remuneration (excluding pension contributions) | <u>190,000</u> | <u>170,504</u> |

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

|                        | 2012     | 2011     |
|------------------------|----------|----------|
|                        | 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 (2011 - £5,000) 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**

|                                    | 2012         | 2011         |
|------------------------------------|--------------|--------------|
|                                    | £            | £            |
| Interest payable on bank borrowing | 247          | 30           |
| Finance charges                    | 1,911        | 1,937        |
| Interest on corporation tax        | 7            | -            |
|                                    | <u>2,165</u> | <u>1,967</u> |

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

**6. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

|                                                                             | 2012<br>£ | 2011<br>£ |
|-----------------------------------------------------------------------------|-----------|-----------|
| Current tax:                                                                |           |           |
| <b>UK Taxation</b>                                                          |           |           |
| In respect of the year:                                                     |           |           |
| UK Corporation tax based on the results for the year<br>at 24% (2011 - 26%) | 462,740   | 431,490   |
| <b>Foreign tax</b>                                                          |           |           |
| Current tax on income for the year                                          | 7,434     | 243       |
| Total current tax                                                           | 470,174   | 431,733   |
| Deferred tax:                                                               |           |           |
| Origination and reversal of timing differences (note 14)                    |           |           |
| Capital allowances                                                          | (8,831)   | 12,729    |
| Tax on profit on ordinary activities                                        | 461,343   | 444,462   |

The UK Corporation tax charge for the year, after deducting double taxation relief of £10,222 (2011- £450) amounts to £452,518 (2011- £431,040).

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2011 - 26%).

|                                                | 2012<br>£ | 2011<br>£ |
|------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before taxation  | 1,725,585 | 1,524,339 |
| Profit on ordinary activities by rate of tax   | 414,140   | 396,328   |
| Expenses disallowed for tax                    | 32,452    | 24,279    |
| Change in tax rates                            | 9,393     | 7,859     |
| Tax effect of prior year adjustment            | -         | 16,771    |
| Excess of depreciation over capital allowances | 6,755     | -         |
| Excess of capital allowances over depreciation | -         | (13,747)  |
| Irrecoverable withholding tax                  | 7,434     | 243       |
| Total current tax (note 6(a))                  | 470,174   | 431,733   |

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2012

### 7. TANGIBLE FIXED ASSETS

|                              | Plant &<br>machinery<br>£ | Fixtures &<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£     |
|------------------------------|---------------------------|-----------------------------|------------------------|----------------|
| <b>COST</b>                  |                           |                             |                        |                |
| At 1st January 2012          | 123,400                   | 220,301                     | 60,164                 | 403,865        |
| Additions                    | 30,953                    | 24,775                      | 7,400                  | 63,128         |
| Disposals                    | —                         | —                           | (30,000)               | (30,000)       |
| <b>At 31st December 2012</b> | <b>154,353</b>            | <b>245,076</b>              | <b>37,564</b>          | <b>436,993</b> |
| <b>DEPRECIATION</b>          |                           |                             |                        |                |
| At 1st January 2012          | 60,834                    | 121,960                     | 26,710                 | 209,504        |
| Charge for the year          | 21,628                    | 38,092                      | 7,423                  | 67,143         |
| On disposals                 | —                         | —                           | (14,375)               | (14,375)       |
| <b>At 31st December 2012</b> | <b>82,462</b>             | <b>160,052</b>              | <b>19,758</b>          | <b>262,272</b> |
| <b>NET BOOK VALUE</b>        |                           |                             |                        |                |
| <b>At 31st December 2012</b> | <b>71,891</b>             | <b>85,024</b>               | <b>17,806</b>          | <b>174,721</b> |
| At 31st December 2011        | 62,566                    | 98,341                      | 33,454                 | 194,361        |

#### Hire purchase agreements

Included within the net book value of £174,721 is £5,858 (2011 - £29,458) 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 £1,542 (2011 - £23,750).

### 8. STOCKS

|       | 2012<br>£ | 2011<br>£ |
|-------|-----------|-----------|
| Stock | —         | 11,043    |

### 9. DEBTORS

|                                | 2012<br>£        | 2011<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 3,277,016        | 2,493,890        |
| VAT recoverable                | 216,538          | 132,042          |
| Loan to associated company     | 22,626           | 88,043           |
| Other debtors                  | 13,115           | 18,651           |
| Prepayments and accrued income | 1,088,799        | 1,478,854        |
|                                | <b>4,618,094</b> | <b>4,211,480</b> |

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2012

### 10. CREDITORS: Amounts falling due within one year

|                                                         | 2012    |                  | 2011    |                  |
|---------------------------------------------------------|---------|------------------|---------|------------------|
|                                                         | £       | £                | £       | £                |
| Overdrafts                                              |         | —                |         | 67,336           |
| Trade creditors                                         |         | 796,633          |         | 719,871          |
| Other creditors including taxation and social security: |         |                  |         |                  |
| Corporation tax                                         | 222,518 |                  | 200,942 |                  |
| PAYE and social security                                | 247,896 |                  | 173,077 |                  |
| Hire purchase agreements                                | 2,222   |                  | 10,073  |                  |
| Accruals and deferred income                            | 314,548 |                  | 583,445 |                  |
|                                                         |         | <u>787,184</u>   |         | <u>967,537</u>   |
|                                                         |         | <u>1,583,817</u> |         | <u>1,754,744</u> |

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

|                          | 2012         | 2011          |
|--------------------------|--------------|---------------|
|                          | £            | £             |
| Overdrafts               | —            | 67,336        |
| Hire purchase agreements | 2,222        | 10,073        |
|                          | <u>2,222</u> | <u>77,409</u> |

The overdrafts are secured by a floating charge from Integrated Engineering Services (Aberdeen) Limited.

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

|                          | 2012 | 2011  |
|--------------------------|------|-------|
|                          | £    | £     |
| Other creditors:         |      |       |
| Hire purchase agreements | —    | 1,667 |

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

|                          | 2012 | 2011  |
|--------------------------|------|-------|
|                          | £    | £     |
| Hire purchase agreements | —    | 1,667 |

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2012

### 12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

|                                                              | 2012         | 2011          |
|--------------------------------------------------------------|--------------|---------------|
|                                                              | £            | £             |
| Amounts payable within 1 year                                | 2,408        | 11,590        |
| Amounts payable between 2 to 5 years                         | -            | 1,798         |
|                                                              | <u>2,408</u> | <u>13,388</u> |
| Less interest and finance charges relating to future periods | (186)        | (1,648)       |
|                                                              | <u>2,222</u> | <u>11,740</u> |
| Hire purchase agreements are analysed as follows:            |              |               |
| Current obligations                                          | 2,222        | 10,073        |
| Non-current obligations                                      | -            | 1,667         |
|                                                              | <u>2,222</u> | <u>11,740</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 £162,696 (2011 - £181,805) and the amount recharged is £84,201 (2011 - £81,070). The amount outstanding at the 31 December 2012 was £19,888 (2011 - £16,237) and the recharge accrued is £6,300 (2011 - £5,866).

### 14. DEFERRED TAXATION

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

|                                                          | 2012          | 2011          |
|----------------------------------------------------------|---------------|---------------|
|                                                          | £             | £             |
| Provision brought forward                                | 26,988        | 14,259        |
| Profit and loss account movement arising during the year | (8,831)       | 12,729        |
| Provision carried forward                                | <u>18,157</u> | <u>26,988</u> |

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

**14. DEFERRED TAXATION** *(continued)*

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

|                                                                 | 2012<br>£     | 2011<br>£     |
|-----------------------------------------------------------------|---------------|---------------|
| Excess of taxation allowances over depreciation on fixed assets | 18,157        | 26,988        |
|                                                                 | <u>18,157</u> | <u>26,988</u> |

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31st December 2012 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | Land and buildings |                |
|--------------------------------|--------------------|----------------|
|                                | 2012<br>£          | 2011<br>£      |
| Operating leases which expire: |                    |                |
| Within 2 to 5 years            | 100,030            | 100,030        |
| After more than 5 years        | 11,500             | 9,000          |
|                                | <u>111,530</u>     | <u>109,030</u> |

**16. SHARE CAPITAL**

Allotted, called up and fully paid:

|                                  | 2012         |              | 2011         |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | 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> |

**17. PROFIT AND LOSS ACCOUNT**

|                               | 2012<br>£        | 2011<br>£        |
|-------------------------------|------------------|------------------|
| Balance brought forward       | 4,133,364        | 3,053,487        |
| Profit for the financial year | 1,264,242        | 1,079,877        |
| Balance carried forward       | <u>5,397,606</u> | <u>4,133,364</u> |

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                               | 2012<br>£        | 2011<br>£        |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 1,264,242        | 1,079,877        |
| Opening shareholders' funds   | 4,134,364        | 3,054,487        |
| Closing shareholders' funds   | <u>5,398,606</u> | <u>4,134,364</u> |

# INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2012

### 19. NOTES TO THE CASH FLOW STATEMENT

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|                                           | 2012<br>£        | 2011<br>£      |
|-------------------------------------------|------------------|----------------|
| Operating profit                          | 1,701,288        | 1,504,465      |
| Depreciation                              | 67,143           | 66,391         |
| Loss on disposal of fixed assets          | 1,125            | —              |
| Decrease in stocks                        | 11,043           | 997            |
| Increase in debtors                       | (406,614)        | (1,743,069)    |
| Increase in creditors                     | 151,581          | 322,468        |
| Net cash inflow from operating activities | <u>1,525,566</u> | <u>151,252</u> |

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

|                                                                      | 2012<br>£      | 2011<br>£      |
|----------------------------------------------------------------------|----------------|----------------|
| Interest received                                                    | 26,462         | 21,841         |
| Interest paid                                                        | (254)          | (30)           |
| Interest element of hire purchase                                    | <u>(1,911)</u> | <u>(1,937)</u> |
| Net cash inflow from returns on investments and servicing of finance | <u>24,297</u>  | <u>19,874</u>  |

#### TAXATION

|          | 2012<br>£        | 2011<br>£        |
|----------|------------------|------------------|
| Taxation | <u>(448,598)</u> | <u>(356,906)</u> |

#### CAPITAL EXPENDITURE

|                                           | 2012<br>£       | 2011<br>£        |
|-------------------------------------------|-----------------|------------------|
| Payments to acquire tangible fixed assets | (63,128)        | (127,833)        |
| Receipts from sale of fixed assets        | 14,500          | —                |
| Net cash outflow from capital expenditure | <u>(48,628)</u> | <u>(127,833)</u> |

#### FINANCING

|                                                      | 2012<br>£        | 2011<br>£       |
|------------------------------------------------------|------------------|-----------------|
| Net (outflow)/inflow from other short-term creditors | (268,897)        | 207,999         |
| Capital element of hire purchase                     | <u>(9,518)</u>   | <u>(12,892)</u> |
| Net cash (outflow)/inflow from financing             | <u>(278,415)</u> | <u>195,107</u>  |

**INTEGRATED ENGINEERING SERVICES (ABERDEEN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31ST DECEMBER 2012**

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

|                                                           | 2012    |           | 2011      |           |
|-----------------------------------------------------------|---------|-----------|-----------|-----------|
|                                                           | £       | £         | £         | £         |
| Increase/(decrease) in cash in the period                 | 774,222 |           | (118,506) |           |
| Net outflow from/(inflow) from other short-term creditors | 268,897 |           | (207,999) |           |
| Cash outflow in respect of hire purchase                  | 9,518   |           | 12,892    |           |
|                                                           |         | 1,052,637 |           | (313,613) |
| Change in net funds                                       |         | 1,052,637 |           | (313,613) |
| Net funds at 1 January 2012                               |         | 838,358   |           | 1,151,971 |
| Net funds at 31 December 2012                             |         | 1,890,995 |           | 838,358   |

**ANALYSIS OF CHANGES IN NET FUNDS**

|                          | At<br>1 Jan 2012<br>£ | Cash flows<br>£ | At<br>31 Dec 2012<br>£ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash:                |                       |                 |                        |
| Cash in hand and at bank | 1,500,879             | 706,886         | 2,207,765              |
| Overdrafts               | (67,336)              | 67,336          | -                      |
|                          | 1,433,543             | 774,222         | 2,207,765              |
| Debt:                    |                       |                 |                        |
| Debt due within 1 year   | (583,445)             | 268,897         | (314,548)              |
| Hire purchase agreements | (11,740)              | 9,518           | (2,222)                |
|                          | (595,185)             | 278,415         | (316,770)              |
| Net funds                | 838,358               | 1,052,637       | 1,890,995              |