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REGISTERED NUMBER: SC249072 (Scotland)

Abbreviated Accounts for the Year Ended 31 May 2012

for

EMTEC BUILDING SERVICES LTD

shares

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Contents of the Abbreviated Accounts
for the Year Ended 31 May 2012

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	5
Abbreviated Profit and Loss Account	6
Abbreviated Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Abbreviated Accounts	10

EMTEC BUILDING SERVICES LTD

Company Information
for the Year Ended 31 May 2012

DIRECTORS:

M McCabe
A McCabe
J G Workman
S P Stevenson
S Barclay

SECRETARY:

M McCabe

REGISTERED OFFICE:

29 Brandon Street
Hamilton
Lanarkshire
ML3 6DA

REGISTERED NUMBER:

SC249072 (Scotland)

AUDITORS:

Sharles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

BANKERS:

The Royal Bank of Scotland plc
Glasgow Cambuslang Branch
90 Main Street
Cambuslang
Glasgow
G72 7NW



Report of the Directors
for the Year Ended 31 May 2012

The directors present their report with the accounts of the company for the year ended 31 May 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of electrical and mechanical contractors.

REVIEW OF BUSINESS

The directors are satisfied with the results achieved by the company during a period in which the construction industry was experiencing difficult trading conditions.

Based on a year to year comparison of the results of the company turnover rose by 32% to £12.2m from £9.3m. Gross profit has increase to £1.4m (11%) from £1.2m (13%). Pre-tax profits were £166,000 compared to £90,000 in 2011.

Overall, the company has managed to maintain a profitable level of trading despite the challenges faced by the construction industry.

At the year end the company had a strong balance sheet and healthy order book position.

BUSINESS RISKS

The company's operations expose it to a variety of financial risks that include performance risk, credit risk and liquidity risk. The directors recognise their overall responsibility for the company's systems and internal control. The controls are designed to manage as opposed to completely eliminate risk.

The company has in place a risk management programme that seeks to limit the adverse affects on the financial performance of the company by regularly reviewing and monitoring individual contract balances and ensuring adequate funding is in place for any given contract.

Performance risk is minimised through accurately budgeting and costing individual projects at the outset and then monitoring the performance on these projects through to completion. The performance of the company is monitored through monthly management accounts which are reviewed at regular board meetings.

Credit risk is minimised by requiring the appropriate credit checks on potential customers, working with reputable customers, agreeing regular payment terms on larger contracts and having strict credit controls. The amount of exposure to any individual customer is also assessed and controlled.

Liquidity risk is minimised through the retention of a healthy level of company reserves and funds in the bank. At present the company is not reliant on any bank facilities.

DIVIDENDS

An interim dividend of £2.00 per share was paid on 31 March 2012. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 May 2012 will be £100,000.

FUTURE DEVELOPMENTS

The directors are confident that the company can continue to trade profitably.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2011 to the date of this report.

M McCabe
A McCabe
J G Workman
S P Stevenson

Report of the Directors
for the Year Ended 31 May 2012

DIRECTORS - continued

Other changes in directors holding office are as follows:

S Barclay was appointed as a director after 31 May 2012 but prior to the date of this report.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's policy is to pay any undisputed creditor balances within agreed credit terms. At the period end trade creditor balances represented 56 days (2011 - 86 days) of purchases and other direct costs.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totalling £7,460 (2011 - £5,000) to various local and UK based organisations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 these financial statements, the directors are required to:

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 May 2012

AUDITORS

The auditors, Charles Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M McCabe - Director

17 January 2013

Report of the Independent Auditors to
Emtec Building Services Ltd
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages six to sixteen, together with the full financial statements of Emtec Building Services Ltd for the year ended 31 May 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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.

The logo for Charles Audit Limited, featuring the word "Charles" in a stylized, bold font with a circular graphic element.

A handwritten signature in black ink, appearing to read "George Rice".

George Rice CA (Senior Statutory Auditor)
for and on behalf of Charles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

17 January 2013

EMTEC BUILDING SERVICES LTD (REGISTERED NUMBER: SC249072)

Abbreviated Profit and Loss Account
for the Year Ended 31 May 2012

	Notes	2012 £	2011 as restated £
TURNOVER		12,252,919	9,278,794
Cost of sales and other operating income		(10,766,067)	(7,905,953)
		1,486,852	1,372,841
Administrative expenses		1,321,647	1,284,747
OPERATING PROFIT	3	165,205	88,094
Interest receivable and similar income		1,051	1,802
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,256	89,896
Tax on profit on ordinary activities	4	27,886	26,664
PROFIT FOR THE FINANCIAL YEAR		138,370	63,232

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

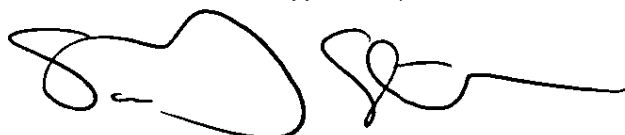
EMTEC BUILDING SERVICES LTD (REGISTERED NUMBER: SC249072)

Abbreviated Balance Sheet
31 May 2012

		2012		2011 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		260,701		110,870
Investments	8		<u>-</u>		<u>49</u>
			260,701		110,919
CURRENT ASSETS					
Debtors	9	2,229,761		2,696,349	
Cash at bank and in hand		<u>557,359</u>		<u>297,923</u>	
		2,787,120		2,994,272	
CREDITORS					
Amounts falling due within one year	10	<u>1,939,415</u>		<u>2,029,127</u>	
NET CURRENT ASSETS			<u>847,705</u>		<u>965,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,108,406		1,076,064
PROVISIONS FOR LIABILITIES	13		<u>9,282</u>		<u>15,310</u>
NET ASSETS			<u>1,099,124</u>		<u>1,060,754</u>
CAPITAL AND RESERVES					
Called up share capital	14		50,000		50,000
Profit and loss account	15		<u>1,049,124</u>		<u>1,010,754</u>
SHAREHOLDERS' FUNDS	19		<u>1,099,124</u>		<u>1,060,754</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 17 January 2013 and were signed on its behalf by:



S P Stevenson - Director

The notes form part of these abbreviated accounts

EMTEC BUILDING SERVICES LTD (REGISTERED NUMBER: SC249072)

Cash Flow Statement
for the Year Ended 31 May 2012

	Notes	2012 £	2011 as restated £
Net cash inflow/(outflow) from operating activities	1	597,895	(150,237)
Returns on investments and servicing of finance	2	1,051	1,802
Taxation		(25,499)	(9,000)
Capital expenditure and financial investment	2	(214,011)	(51,294)
Equity dividends paid		(100,000)	-
		259,436	(208,729)
Financing	2	-	(158,162)
Increase/(decrease) in cash in the period		<u>259,436</u>	<u>(366,891)</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>259,436</u>	<u>(366,891)</u>
Change in net funds resulting from cash flows		<u>259,436</u>	<u>(366,891)</u>
Movement in net funds in the period		259,436	(366,891)
Net funds at 1 June		<u>297,923</u>	<u>664,814</u>
Net funds at 31 May		<u>557,359</u>	<u>297,923</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 May 2012

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

	2012	2011 as restated
	£	£
Operating profit	165,205	88,094
Depreciation charges	63,711	71,406
Loss on disposal of fixed assets	518	998
Decrease/(increase) in debtors	466,588	(1,089,052)
(Decrease)/increase in creditors	<u>(98,127)</u>	<u>778,317</u>
Net cash inflow/(outflow) from operating activities	<u>597,895</u>	<u>(150,237)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	<u>1,051</u>	<u>1,802</u>
Net cash inflow for returns on investments and servicing of finance	<u>1,051</u>	<u>1,802</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(216,220)	(53,045)
Purchase of fixed asset investments	-	(49)
Sale of tangible fixed assets	2,160	1,800
Sale of fixed asset investments	<u>49</u>	<u>-</u>
Net cash outflow for capital expenditure and financial investment	<u>(214,011)</u>	<u>(51,294)</u>
Financing		
Amount withdrawn by directors	<u>-</u>	<u>(158,162)</u>
Net cash outflow from financing	<u>-</u>	<u>(158,162)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.11	Cash flow	At
	£	£	31.5.12
			£
Net cash:			
Cash at bank and in hand	<u>297,923</u>	<u>259,436</u>	<u>557,359</u>
	<u>297,923</u>	<u>259,436</u>	<u>557,359</u>
Total	<u>297,923</u>	<u>259,436</u>	<u>557,359</u>

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 May 2012

1. **ACCOUNTING POLICIES**

Accounting convention

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

Turnover

Revenue is recognised in respect of work done during the year. Turnover therefore includes both invoiced sales and the value of work done but not yet invoiced.

Tangible fixed assets

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

Freehold property	- Straight line over 50 years
Plant and machinery	- 25% on cost
Fixtures and fittings	- 50% on cost
Motor vehicles	- 25% on reducing balance

Expenditure of £2,000 or more on individual tangible fixed assets is capitalised at cost. Expenditure on assets below this threshold is charged directly to the profit and loss account in the period it is incurred.

Deferred tax

Deferred tax is recognised at current tax rates in respect of all timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is only recognised to the extent that future taxable profits are expected to reverse the underlying timing difference. Deferred tax balances are not discounted.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Government grants

Grants which are deemed to be revenue in nature are credited to the profit and loss account as they become receivable. Grants of a capital nature are reflected as deferred income in the balance sheet and released to the profit and loss account over the estimated useful life of the assets to which they relate.

2. **STAFF COSTS**

	2012	2011
	£	as restated £
Wages and salaries	3,051,187	2,822,404
Social security costs	277,479	273,286
Other pension costs	84,873	58,343
	<u>3,413,539</u>	<u>3,154,033</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2012	2011 as restated
Direct wages	82	71
Directors and administration staff	<u>28</u>	<u>29</u>
	<u><u>110</u></u>	<u><u>100</u></u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2012	2011 as restated
	£	£
Hire of plant and machinery	100,380	53,436
Other operating leases	48,763	38,269
Depreciation - owned assets	63,711	71,406
Loss on disposal of fixed assets	518	998
Auditors' remuneration	9,500	10,250
Auditors' remuneration for non audit work	<u>12,241</u>	<u>14,750</u>
Directors' remuneration	30,400	30,000
Directors' pension contributions to money purchase schemes	<u>48,000</u>	<u>48,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u><u>4</u></u>	<u><u>4</u></u>
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4. TAXATION

Analysis of the tax charge

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

	2012	2011 as restated
	£	£
Current tax:		
UK corporation tax	47,867	39,452
Previous year tax adjustment	<u>(13,953)</u>	<u>(21,914)</u>
Total current tax	33,914	17,538
Deferred tax	<u>(6,028)</u>	<u>9,126</u>
Tax on profit on ordinary activities	<u><u>27,886</u></u>	<u><u>26,664</u></u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

4. **TAXATION - continued**

Factors affecting the tax charge

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

	2012	2011 as restated
	£	£
Profit on ordinary activities before tax	<u>166,256</u>	<u>89,896</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	39,901	23,373
Effects of:		
Expenses not deductible for tax purposes	10,844	19,936
Capital allowances in excess of depreciation	-	(2,492)
Depreciation in excess of capital allowances	4,851	-
Adjustments to tax charge in respect of previous periods	(13,953)	(21,914)
Group relief of tax losses	(10,488)	(1,361)
Tax charged at different rates	<u>2,759</u>	<u>(4)</u>
Current tax charge	<u>33,914</u>	<u>17,538</u>

5. **DIVIDENDS**

	2012	2011 as restated
	£	£
Ordinary shares of £1 each		
Interim paid	<u>100,000</u>	<u>-</u>

6. **PRIOR YEAR ADJUSTMENT**

The prior year figures have been adjusted to reflect direct motor and travel expenses that were previously included in administrative expenses and have now been classified as cost of sales as this better reflects the nature of these expenses.

This adjustment increased the previously reported cost of sales by £100,272 with corresponding reductions in the gross profit and administrative expenses figures.

This adjustment had no effect on the previously reported profit for the year or the balance sheet.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

7. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2011	-	30,600	115,087	191,733	337,420
Additions	185,000	-	-	31,220	216,220
Disposals	-	-	-	(11,285)	(11,285)
At 31 May 2012	<u>185,000</u>	<u>30,600</u>	<u>115,087</u>	<u>211,668</u>	<u>542,355</u>
DEPRECIATION					
At 1 June 2011	-	15,663	85,829	125,058	226,550
Charge for year	3,000	7,650	29,258	23,803	63,711
Eliminated on disposal	-	-	-	(8,607)	(8,607)
At 31 May 2012	<u>3,000</u>	<u>23,313</u>	<u>115,087</u>	<u>140,254</u>	<u>281,654</u>
NET BOOK VALUE					
At 31 May 2012	<u>182,000</u>	<u>7,287</u>	<u>-</u>	<u>71,414</u>	<u>260,701</u>
At 31 May 2011	<u>-</u>	<u>14,937</u>	<u>29,258</u>	<u>66,675</u>	<u>110,870</u>

Included in cost of land and buildings is freehold land of £35,000 (2011 - £0) which is not depreciated.

8. **FIXED ASSET INVESTMENTS**

	Interest in joint venture £
COST	
At 1 June 2011	49
Disposals	<u>(49)</u>
At 31 May 2012	<u>-</u>
NET BOOK VALUE	
At 31 May 2012	<u>-</u>
At 31 May 2011	<u>49</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011 as restated
	£	£
Trade debtors	728,899	531,640
Amounts owed by group undertakings	40,843	183,742
Amounts owed by participating interests	-	18,187
Amounts recoverable on contracts	1,330,768	1,559,924
Other debtors	94,806	370,447
Prepayments and accrued income	<u>34,445</u>	<u>32,409</u>
	<u>2,229,761</u>	<u>2,696,349</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011 as restated
	£	£
Trade creditors	1,520,209	1,618,421
Tax	47,867	39,452
Other taxes & social security	59,366	52,992
VAT	170,876	155,960
Other creditors	14,970	16,524
Accruals and deferred income	<u>126,127</u>	<u>145,778</u>
	<u>1,939,415</u>	<u>2,029,127</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2012	2011 as restated
	£	£
Expiring:		
Within one year	<u>12,543</u>	<u>12,543</u>

12. SECURED DEBTS

The Royal Bank of Scotland holds a bond and floating charge over the assets of the company as security against any future monies owed to it by the company.

13. PROVISIONS FOR LIABILITIES

	2012	2011 as restated
	£	£
Deferred tax		
Accelerated capital allowances	<u>9,282</u>	<u>15,310</u>

EMTEC BUILDING SERVICES LTD (REGISTERED NUMBER: SC249072)

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

13. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 June 2011	15,310
Provided during year	<u>(6,028)</u>
Balance at 31 May 2012	<u>9,282</u>

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2012 £	2011 as restated £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

15. **RESERVES**

	Profit and loss account £
At 1 June 2011	1,010,754
Profit for the year	138,370
Dividends	<u>(100,000)</u>
At 31 May 2012	<u>1,049,124</u>

16. **ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Emtec Group Ltd, a company incorporated in the UK.

shares

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 May 2012

17. RELATED PARTY DISCLOSURES

During the year the following transactions took place with fellow subsidiary companies that are not wholly owned by Emtec Group Ltd.

The company made sales of £354,876 (2011 - £112,535) and recharged overheads and management charges amounting to £63,000 (2011 - £76,571) to, purchased goods and services of £4,965 (2011 - £14,010) from, and was owed £421,379 (2011 - £69,510) by DRB UK Maintenance Ltd at the year end.

The company made sales of £15,575 (2011 - £33,255) and management charges of £11,000 (2011 - £9,715) to, purchased goods and services of £72,621 (2011 - £302,883) from, and was owed £15,767 (2011 - £67,442) by Climatec Services Ltd at the year end.

The company made sales of £67,592 (2011 - £80,266) and management charges of £44,915 (2011 - £28,310) to, purchased goods and services of £14,152 (2011 - £18,080) from, and was owed £53,274 (2011 - £59,954) by Emtec Facility Services Ltd at the year end.

The company made sales of £712 (2011 - £20,963) to, and was owed £426 (2011 - £18,187) by Emtec Ecology Ltd at the year end.

The company made sales of £18,269 (2011 - £nil) to, purchased goods and services of £36,536 (2011 - £nil) from, and owed £23,297 (2011 - £nil) to Emtec Energy Ltd at the year end.

18. ULTIMATE CONTROLLING PARTY

The company has no ultimate controlling party.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011 as restated
	£	£
Profit for the financial year	138,370	63,232
Dividends	<u>(100,000)</u>	<u>-</u>
Net addition to shareholders' funds	38,370	63,232
Opening shareholders' funds	<u>1,060,754</u>	<u>997,522</u>
Closing shareholders' funds	<u>1,099,124</u>	<u>1,060,754</u>