



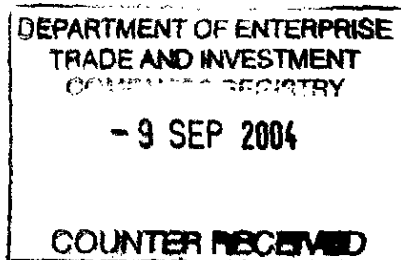
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Registration number NI 28974

Williams Industrial Services Limited

Abbreviated accounts

for the year ended 31 May 2004



Williams Industrial Services Limited

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Williams Industrial Services Limited

Directors' report for the year ended 31 May 2004

The directors present their report and the accounts for the year ended 31 May 2004.

Principal activity and review of the business

The principal activity of the company during the year was the design, manufacture and installation of process control instrumentation and the provision of labour facilities to the industrial services sector. The directors consider the year's trading to be satisfactory.

The company made a profit of £381,472 (2003 - £334,687) for the year after taxation. This amount is to be carried forward as retained profits after payment of dividends and the issue of bonus shares.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary A shares		Ordinary B shares	
	2004	2003	2004	2003
J Toner	78,750	78,750	-	-
R Adamson	78,750	78,750	-	-
S Black	-	-	4,375	4,375
J Bell	-	-	4,375	4,375
G Caves	-	-	4,375	4,375
T Picking	-	-	4,375	4,375

Directors' responsibilities

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

- select suitable accounting policies and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

Williams Industrial Services Limited

**Directors' report
for the year ended 31 May 2004**

Auditors

In accordance with Article 392 of the Companies (Northern Ireland) Order 1986, a resolution proposing that Muir & Addy be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of part 1 of the Companies (Northern Ireland) Order 1986.

This report was approved by the Board on 8 September 2004 and signed on its behalf by

A handwritten signature in dark ink, appearing to be 'R. Adamson', is written over a faint circular stamp or seal.

R Adamson
Secretary

**Independent auditors' report to Williams Industrial Services Limited
under Paragraph 24 of Schedule 8 to the Companies (Northern Ireland) Order 1986**

We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Williams Industrial Services Limited for the year ended 31 May 2004 prepared under Article 234 of the Companies (Northern Ireland) Order 1986.

This report is made solely to the company, in accordance with Paragraph 24 of Schedule 8 to the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

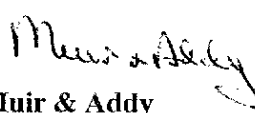
The directors are responsible for preparing abbreviated accounts in accordance with Article 254 of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Articles 254(5) and (6) of the Order to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

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

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Articles 254(5) and (6) of the Companies (Northern Ireland) Order 1986 in respect of the year ended 31 May 2004, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.


Muir & Addy
Chartered Accountants and
Registered Auditors

8 September 2004

Muir Building
427 Holywood Road
Belfast
BT4 2LT

Williams Industrial Services Limited

**Abbreviated profit and loss account
for the year ended 31 May 2004**

Continuing operations

		2004	2003
	Notes	£	£
Gross profit		2,191,663	1,539,018
Administrative expenses		(1,722,468)	(1,081,190)
Operating profit	2	469,195	457,828
Other interest receivable and similar income	3	54,878	25,363
Interest payable and similar charges	4	(343)	(3,842)
Profit on ordinary activities before taxation		523,730	479,349
Tax on profit on ordinary activities	7	(142,258)	(144,662)
Profit on ordinary activities after taxation		381,472	334,687
Retained profit for the year		381,472	334,687
Retained profit brought forward		866,981	532,294
Retained profit carried forward		1,248,453	866,981

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 15 form an integral part of these financial statements.

Williams Industrial Services Limited

**Abbreviated balance sheet
as at 31 May 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		77,660		84,720
Tangible assets	9		364,901		412,898
Investments	10		20,000		-
			<hr/> 462,561		<hr/> 497,618
Current assets					
Stocks	11	1,158,837		85,101	
Debtors	12	2,882,714		1,768,381	
Cash at bank and in hand		1,693,501		1,448,342	
		<hr/> 5,735,052		<hr/> 3,301,824	
Creditors: amounts falling due within one year	13	(4,759,159)		(2,721,425)	
Net current assets			<hr/> 975,893		<hr/> 580,399
Total assets less current liabilities			<hr/> 1,438,454		<hr/> 1,078,017
Provisions for liabilities and charges	14		(15,001)		(36,036)
Net assets			<hr/> 1,423,453		<hr/> 1,041,981
Capital and reserves					
Called up share capital	15		175,000		175,000
Profit and loss account			1,248,453		866,981
Equity shareholders' funds	16		<hr/> 1,423,453		<hr/> 1,041,981

In preparing these abbreviated accounts we have relied on the exemptions for individual financial statements conferred by Section B of Part I of Schedule 8 of the Companies (Northern Ireland) Order 1986 on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

The abbreviated accounts were approved by the Board on 8 September 2004 and signed on its behalf by

J Toner
Director

R Adamson
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

Williams Industrial Services Limited

**Cash flow statement
for the year ended 31 May 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		469,195	457,828
Depreciation		154,276	156,077
(Increase) in stocks		(1,073,736)	(37,133)
(Increase) /Decrease in debtors		(1,114,333)	271,855
Increase /(Decrease) in creditors		1,561,456	(74,549)
Net cash (outflow) /Inflow from operating activities		<u>(3,142)</u>	<u>774,078</u>

Cash flow statement

Net cash (outflow) /Inflow from operating activities		(3,142)	774,078
Returns on investments and servicing of finance	19	54,535	21,521
Taxation	19	(147,419)	(47,513)
Capital expenditure and financial investment	19	(119,219)	(167,129)
		<u>(215,245)</u>	<u>580,957</u>
Financing	19	-	(65,668)
(Decrease) /Increase in cash in the year		<u>(215,245)</u>	<u>515,289</u>

Reconciliation of net cash flow to movement in net debt (Note 20)

(Decrease) /Increase in cash in the year	(215,245)	515,289
Cash inflow from decrease in debts and lease financing	-	65,668
Change in net debt resulting from cash flows	(215,245)	580,957
Net funds at 1 June 2003	843,150	262,193
Net funds at 31 May 2004	<u>627,905</u>	<u>843,150</u>

Williams Industrial Services Limited

Notes to the abbreviated financial statements for the year ended 31 May 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover and profits

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold Property	-	Straight line over twenty five years
Plant and machinery	-	25% Straight Line
Fixtures and fittings	-	25% Written Down Value
Motor vehicles	-	25% Written Down Value
Office equipment	-	25% Straight Line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7. Stock and Long term contracts

Stock is valued at the lower of cost and net realisable value.

Work in progress on long term contracts is valued at the lower of cost and net realisable value.

Long term contracts are stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account.

1.8. Pensions

The company operates a defined contribution scheme and the amount charged to the profit and loss account represents the contributions payable under the rules of the scheme.

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

1.9. 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;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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.

2. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	7,060	7,060
Depreciation and other amounts written off tangible assets	147,958	143,535
Auditors' remuneration	6,200	5,800
	<u> </u>	<u> </u>
and after crediting:		
Profit/(Loss) on disposal of tangible fixed assets	742	(5,482)
Government grants	180,400	8,300
	<u> </u>	<u> </u>

3. Interest receivable and similar income

	2004	2003
	£	£
Bank interest	54,878	25,363
	<u> </u>	<u> </u>

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

4. Interest payable and similar charges	2004	2003
	£	£
On loans repayable between two and five years	-	3,499
Lease finance charges and hire purchase interest	343	343
	<u>343</u>	<u>3,842</u>
	<u><u>343</u></u>	<u><u>3,842</u></u>

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

2004	2003
161	146
<u>161</u>	<u>146</u>
<u><u>161</u></u>	<u><u>146</u></u>

Employment costs

Wages, salaries and employee benefit trust
Other pension costs

2004	2003
£	£
4,715,197	3,864,053
134,069	149,269
<u>4,849,266</u>	<u>4,013,322</u>
<u><u>4,849,266</u></u>	<u><u>4,013,322</u></u>

5.1. Directors' emoluments

Remuneration, emoluments and employee benefit trust

2004	2003
£	£
878,700	303,500
<u>878,700</u>	<u>303,500</u>
<u><u>878,700</u></u>	<u><u>303,500</u></u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £134,069 (2003 - £149,269).

Williams Industrial Services Limited

Notes to the abbreviated financial statements for the year ended 31 May 2004

7. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
Current tax		
UK corporation tax	162,107	146,233
Adjustments in respect of previous periods	-	(687)
Tax credits on investment income	1,186	200
	<u>163,293</u>	<u>145,746</u>
Total current tax charge	163,293	145,746
Deferred tax		
Timing differences, origination and reversal	(21,035)	(1,084)
	<u>(21,035)</u>	<u>(1,084)</u>
Total deferred tax	(21,035)	(1,084)
Tax on profit on ordinary activities	<u>142,258</u>	<u>144,662</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>523,730</u>	<u>479,349</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 May 2003 : 30%)	157,119	143,805
Effects of:		
Expenses not deductible for tax purposes	5,891	5,152
Depreciation for period in excess of Capital Allowances	24,358	22,966
Adjustments to tax charge in respect of previous periods	-	(687)
Marginal relief	(24,075)	(25,490)
Current tax charge for period	<u>163,293</u>	<u>145,746</u>

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

8. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 June 2003	141,200	141,200
At 31 May 2004	141,200	141,200
Provision for diminution in value		
At 1 June 2003	56,480	56,480
Charge for year	7,060	7,060
At 31 May 2004	63,540	63,540
Net book values		
At 31 May 2004	77,660	77,660
At 31 May 2003	84,720	84,720

9. Tangible fixed assets

	Freehold Property £	Plant and machinery £	Fixtures and Fittings £	Motor vehicles £	Office equipment £	Total £
Cost						
At 1 June 2003	100,469	258,640	31,288	288,027	115,221	793,645
Additions	-	16,467	-	58,010	29,692	104,169
Disposals	-	-	-	(13,300)	-	(13,300)
At 31 May 2004	100,469	275,107	31,288	332,737	144,913	884,514
Depreciation						
At 1 June 2003	18,839	150,702	24,507	95,600	91,099	380,747
On disposals	-	-	-	(9,092)	-	(9,092)
Charge for the year	4,020	59,820	1,699	61,558	20,861	147,958
At 31 May 2004	22,859	210,522	26,206	148,066	111,960	519,613
Net book values						
At 31 May 2004	77,610	64,585	5,082	184,671	32,953	364,901
At 31 May 2003	81,630	107,938	6,781	192,427	24,122	412,898

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

10. Fixed asset investments	Other unlisted investments £	Total £
Cost		
Additions	520,000	520,000
Disposals	(500,000)	(500,000)
At 31 May 2004	<u>20,000</u>	<u>20,000</u>
Net book values		
At 31 May 2004	<u>20,000</u>	<u>20,000</u>

The investment relates to the holding of 1 Redeemable Funding Share £0.01 in Kwag Limited, fully paid at a premium of £19,999.99. Kwag Limited is a company incorporated under the laws of the British Virgin Islands.

11. Stocks	2004 £	2003 £
Long term contracts	1,121,001	51,817
Stock	37,836	33,284
	<u>1,158,837</u>	<u>85,101</u>

12. Debtors	2004 £	2003 £
Trade debtors	2,855,264	1,750,894
Other debtors	16,399	6,685
Prepayments and accrued income	11,051	10,802
	<u>2,882,714</u>	<u>1,768,381</u>

Specific provision is made for all known debts which are deemed irrecoverable.

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

13. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	1,065,596	605,192
Trade creditors	3,033,336	1,405,301
Corporation tax	162,107	146,233
Other taxes and social security costs	175,064	243,554
Accruals and deferred income	323,056	321,145
	<u>4,759,159</u>	<u>2,721,425</u>
 14. Provisions for liabilities and charges		
	Deferred taxation £	Total £
At 1 June 2003	36,036	36,036
Movements in the year	(21,035)	(21,035)
At 31 May 2004	<u>15,001</u>	<u>15,001</u>
 15. Share capital	2004 £	2003 £
Authorised		
450,000 Ordinary A shares of 1 each	450,000	450,000
50,000 Ordinary B shares of 1 each	50,000	50,000
	<u>500,000</u>	<u>500,000</u>
 Allotted, called up and fully paid		
157,500 Ordinary A shares of 1 each	157,500	157,500
17,500 Ordinary B shares of 1 each	17,500	17,500
	<u>175,000</u>	<u>175,000</u>

On 25th July 2002, 2,000 £1 Ordinary A shares were converted to 2,000 £1 Ordinary B shares. On 1st August 2002, a bonus issue of 155,000 Ordinary £1 shares was made - £139,500 A shares and £15,500 B shares.

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

16. Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the year	381,472	334,687
Opening shareholders' funds	1,041,981	707,294
Closing shareholders' funds	<u>1,423,453</u>	<u>1,041,981</u>

17. Security

There exists

- (a) a mortgage debenture incorporating a fixed and floating charge over all company assets
- (b) a legal charge over the company's premises at Unit 7, Hydepark Industrial Estate, Mallusk
- (c) a letter of lien over deposit funds
- (d) a letter of authority and indemnity relating to BACS Payplan

18. Contingent liabilities	2004	2003
	£	£
Contingent liabilities, which are not expected to give rise to any material loss, include:		
Indemnity in respect of Payplan facility	120,000	120,000
Guarantee under the Small Firms Loan Guarantee Scheme	-	115,119
	<u>120,000</u>	<u>235,119</u>

Williams Industrial Services Limited

**Notes to the abbreviated financial statements
for the year ended 31 May 2004**

19. Gross cash flows

	2004	2003
	£	£
Returns on investments and servicing of finance		
Interest received	54,878	25,363
Interest paid	-	(3,499)
Interest element of finance lease rental payments	(343)	(343)
	<u>54,535</u>	<u>21,521</u>
Taxation		
Corporation tax paid	<u>(147,419)</u>	<u>(47,513)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(104,169)	(205,329)
Payments to acquire investments	(520,000)	-
Receipts from sales of tangible assets	4,950	38,200
Receipts from sales of investments	500,000	-
	<u>(119,219)</u>	<u>(167,129)</u>
Financing		
New long term bank loan	-	(56,168)
Repayment of long term bank loan	-	(9,500)
	<u>-</u>	<u>(65,668)</u>

20. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,448,342	245,159	1,693,501
Overdrafts	(605,192)	(460,404)	(1,065,596)
	<u>843,150</u>	<u>(215,245)</u>	<u>627,905</u>
Net funds	<u>843,150</u>	<u>(215,245)</u>	<u>627,905</u>