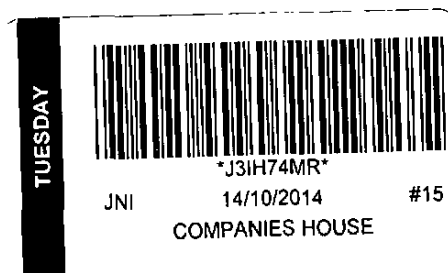
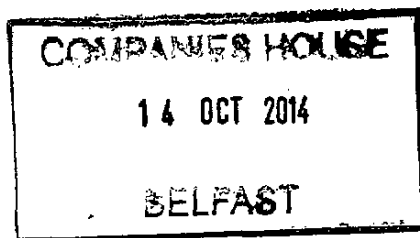


COMPANY REGISTRATION NUMBER NI028974

**WILLIAMS INDUSTRIAL  
SERVICES LIMITED**

**GROUP FINANCIAL STATEMENTS**

**31 MAY 2014**



**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

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**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	Mr J Toner Mr J Bell Mr G Caves Mr T Picking
<b>Company secretary</b>	Mr T Picking
<b>Registered office</b>	Units 5 & 7 Hydepark Commercial Centre 10 Hyde Park Road Mallusk BT36 4PY
<b>Auditor</b>	Muir & Addy Chartered Accountants & Statutory Auditor Muir Building 427 Holywood Road Belfast BT4 2LT
<b>Bankers</b>	First Trust Bank 322 Antrim Road Glengormley BT36 5EQ
<b>Solicitors</b>	Cleaver Fulton Rankin 50 Bedford Street Belfast BT2 7FW

# **WILLIAMS INDUSTRIAL SERVICES LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 MAY 2014**

### **BACKGROUND**

The WIS Trading Group consists of Williams Industrial Services Ltd and TOT Technical (NI) Limited, servicing the industrial and environmental engineering sector throughout the UK and primarily in Northern Ireland.

WIS Group is Northern Ireland's largest provider of process control, automation, instrumentation and industrial engineering solutions. It is privately owned, indigenous to Northern Ireland and has been trading since 1983, currently employing over 140 engineers, technicians and support staff.

### **REVIEW OF GROUP BUSINESS**

WIS Group has consolidated its position with its existing client base throughout Northern Ireland by securing new orders and renewal of existing framework agreements with NI Water, Bombardier Aerospace, Veolia Water, B9, Evergreen Biogas, Michelin and Moy Park to name a few.

The Group has undergone some restructuring in this financial year with the focus on strategic growth for the immediate future and the management structure to enable implementation of growth plans.

The Group now consists of 5 group divisions including 1 subsidiary:

1. WIS Environmental Engineering (primarily supporting the water and wastewater industry in the UK)
2. WIS Renewables (developing energy from waste projects for the UK and Irish markets)
3. WIS Industrial Automation, Aerospace & Composites - IAAC (dedicated to the supply of industrial automation solutions to local industry and in particular the global aerospace industry)
4. WIS Instrument Sales and Service (in association with global supply chain partners)
5. TOT Technical (NI) Limited (specialising in mild steel and stainless steel fabrication and bespoke machinery manufacture).

To achieve its aim of becoming one of the leading engineering solutions providers in the UK, WIS Group has refocused its approach to the markets it currently operates in and identified new markets within the UK and globally, where its unique blend of technology led solutions provision and unrivalled customer service could provide a gateway to market entry. With local government spend reductions identified, the Environmental Engineering division was tasked with securing water and wastewater contracts outside of Northern Ireland, and as such the company has successfully secured over £5M worth of projects in mainland UK, commencing June 2014, with additional opportunities on the horizon.

With local government spend reductions identified, the Environmental Engineering division was tasked with securing water and wastewater contracts outside of Northern Ireland, and as such WIS Group has successfully secured over £5M worth of projects in mainland UK, commencing June 2014, with additional opportunities on the horizon.

# **WILLIAMS INDUSTRIAL SERVICES LIMITED**

## **STRATEGIC REPORT *(continued)***

**YEAR ENDED 31 MAY 2014**

### **REVIEW OF COMPANY BUSINESS *(continued)***

WIS Renewables has seen rapid growth this financial year, and subsequently has become the Group's largest contributor to overall turnover, with sales in excess of £9M. This market continues to evolve within Northern Ireland and the company envisages steady local growth going forward, with further opportunities arising in the South of Ireland and mainland UK.

WIS IAAC has secured long term framework agreements with some of its global blue chip industrial and aerospace clients this year. It is tasked with raising the profile of WIS Aerospace with other global manufacturers, such as Boeing, Triumph Aerospace, Spirit and Airbus etc to secure interest in some of WIS Groups patented machine building technology, and industrial automation services. This division has performed steadily throughout the year, with focus on continued support for local industry and the identification of global opportunities.

WIS Instrument Sales and Service has continued to provide excellent support to its local customer base, and has been encouraged by steady growth on the previous financial year. To unlock the Southern Irish market a dedicated business development and technical sales engineer has been employed, with focus purely on the Republic of Ireland for Group sales.

TOT Technical (NI) Limited has had another steady year, seeing turnover decline slightly, however profit has increased considerably. The reduced local government spend would account for the decline in turnover and the necessity to seek out new markets with better margin potential has accounted for the increase in profit.

Overall WIS Group turnover has remained constant, as have trading profits. Emphasis placed on securing orders outside of Northern Ireland and current success in this endeavour bode well for growth prospects entering the 2014-15 financial year.

### **RISKS & UNCERTAINTIES**

There will always be risks and uncertainties with emergence into new markets, however WIS Group has mitigated against some of those risks with robust EPC contracts and cash positive payment terms for the renewables projects. All of the newly formed divisions are headed up by long serving WIS Group staff, with vast experience in their respective industry sectors, thus controlling the risk associated with having the appropriate management structure in place, to match the growth aspirations.

WIS Group customer dependence on a few main clients within Northern Ireland has been identified as a risk, both from the client stance and also geographically, and is being addressed as the company seeks revenue streams from mainland UK, the Isle of Man and the Republic of Ireland in the short term, with global aspirations to follow.

The company is aware that its brand, albeit synonymous with technology led engineering solutions within Northern Ireland, will not be as strong on the global stage. Therefore a website revamp and revised company brochures and marketing procedures are being implemented, to best promote the group companies as a whole, whilst considerable emphasis is being placed on increased brand awareness and identification of key client personnel to canvas.

# **WILLIAMS INDUSTRIAL SERVICES LIMITED**

## **STRATEGIC REPORT *(continued)***

**YEAR ENDED 31 MAY 2014**

### **RISKS AND UNCERTAINTIES *(continued)***

An ever present threat is the potential for competitors entering the Northern Irish market, and WIS Group plans to combat this threat by securing long term framework agreements with many of our key clients, across all divisions, and by forming exclusive strategic alliances with global equipment suppliers, to provide the best all round offering for our clients. This coupled with unrivalled customer technical support should give WIS Group the competitive advantage to remain ahead of its rivals.

### **GROUP PERFORMANCE**

WIS Group has performed steadily throughout this financial year. The company has seen a decrease in spending from several of its key clients, however there has been encouraging growth in some of its fledgling divisions and emerging markets, which have compensated for the decrease in the more mature markets and have sustained overall turnover and profit margins.

Group turnover has marginally decreased by £672 (0%) to £20,526,685, whilst cost of sales has increased by £172,890 (0.10%) to £17,508,355, resulting in a £173,562 (5.44%) decrease in gross profit. This has been mainly due to the restructuring process and emergence into new markets with unfamiliar supply chains. Administrative expenses, other operating income and interest has decreased by £679,280 leaving profit before taxation at £1,043,420 against £537,702 in the previous year.

Overall company turnover has increased by 0.62%, current ratio has increased to 1.54 and acid test has increased to 1.06, giving the company a steady platform for the year ahead.

The shareholders and board of directors have confidence in the current management team and the potential for strategic growth identified per division is very encouraging. If fully realised this should translate into a minimum 50% growth for the Group in the forthcoming financial year, with exciting projects already signed in renewables and environmental engineering divisions and major prospects on the horizon for the IAAC and sales divisions.

Signed by order of the directors

MR T PICKING  
Company Secretary



Approved by the directors on 7 October 2014

# **WILLIAMS INDUSTRIAL SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MAY 2014**

The directors present their report and the group financial statements of the group for the year ended 31 May 2014.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £822,912. The directors have not recommended a dividend.

#### *Financial risk management objectives and policies*

Ultimate responsibility for financial risk management objectives and policies of the company rests with the board. Their principal objectives are to safeguard the company's ability to continue as a going concern and to provide resources to grow the business. Financial risk exposures are managed by the directors and are as follows.

*Price risk* - The company has minimal exposure to price risk as most contracts are fixed price.

*Credit risk* - Specific provision is made for all known debts which are deemed irrecoverable, and all cash deposits are with clearing banks in the United Kingdom.

*Liquidity risk* - The company manages liquidity risk by maintaining adequate cash balances and banking facilities.

*Cash flow risk* - Actual and forecast cash flows are continually monitored.

#### **DIRECTORS**

The directors who served the company during the year and up to the date of this report are listed on page 1.

#### **DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare group financial statements for each financial year. Under that law the directors have elected to prepare the group 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 group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing these group 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 group financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

# **WILLIAMS INDUSTRIAL SERVICES LIMITED**

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

**YEAR ENDED 31 MAY 2014**

In so far as the directors are aware:

- there is no relevant audit information of which the group'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.

### **STRATEGIC REPORT**

Details of all significant future developments have been included in the Strategic Report.

### **AUDITOR**

Muir & Addy are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Units 5 & 7  
Hydepark Commercial Centre  
10 Hyde Park Road  
Mallusk  
BT36 4PY

Signed by order of the directors

MR T PICKING  
Company Secretary



Approved by the directors on 7 October 2014



**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO**  
**THE SHAREHOLDERS OF**  
**WILLIAMS INDUSTRIAL SERVICES LIMITED**



**YEAR ENDED 31 MAY 2014**

We have audited the group and parent company group financial statements ("the group financial statements") of Williams Industrial Services Limited for the year ended 31 May 2014 which comprise the Group Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 to 6, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE GROUP FINANCIAL STATEMENTS**

A description of the scope of an audit of group financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON GROUP FINANCIAL STATEMENTS**

In our opinion the group financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**EMPHASIS OF MATTER**

In forming our opinion, which is not modified, TOT Technical (NI) Limited, a wholly owned subsidiary and included in these consolidated accounts, has claimed exemption from the requirements relating to the audit of their accounts under section 479A of the Companies Act 2006. In order for the exemption to take effect the parent company has given an undertaking to guarantee TOT Technical (NI) Limited in respect of all their outstanding liabilities at 31 May 2014. In recognition of the size of that company and that 70% of its turnover is to Williams Industrial Services Limited, we are satisfied that there is no material misstatement in the group accounts. We consider that this matter should be brought to your attention but our opinion is not modified in this respect.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO**  
**THE SHAREHOLDERS OF**  
**WILLIAMS INDUSTRIAL SERVICES LIMITED** *(continued)*



**YEAR ENDED 31 MAY 2014**

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to be 'C. Wilson', written over a horizontal line.

MR COLIN WILSON FCA (Senior Statutory Auditor)  
For and on behalf of  
MUIR & ADDY  
Chartered Accountants & Statutory Auditor

Muir Building  
427 Holywood Road  
Belfast  
BT4 2LT

7 October 2014

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2014**

	Note	2014 £	2013 £
<b>GROUP TURNOVER</b>	<b>2</b>	<b>20,526,685</b>	<b>20,527,357</b>
Cost of sales		<u>17,508,355</u>	<u>17,335,465</u>
<b>GROSS PROFIT</b>		<b>3,018,330</b>	<b>3,191,892</b>
Administrative expenses		2,112,073	2,778,549
Other operating income	<b>3</b>	<u>(176,684)</u>	<u>(118,438)</u>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>1,082,941</b>	<b>531,781</b>
Interest receivable		23,933	43,475
Interest payable and similar charges	<b>7</b>	<u>(63,454)</u>	<u>(37,554)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>1,043,420</b></u>	<u><b>537,702</b></u>
Tax on profit on ordinary activities	<b>8</b>	<b>220,508</b>	244,622
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>9</b>	<u><b>822,912</b></u>	<u><b>293,080</b></u>

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

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 31 form part of these group financial statements.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**

**GROUP BALANCE SHEET**

**31 MAY 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	10	51,586	107,217
Tangible assets	11	351,751	345,246
Investments	12	6	—
		<u>403,343</u>	<u>452,463</u>
<b>CURRENT ASSETS</b>			
Stocks	13	3,517,634	2,499,440
Debtors	14	4,488,804	3,946,044
Cash at bank and in hand		3,081,126	3,014,437
		<u>11,087,564</u>	<u>9,459,921</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>7,812,184</u>	<u>7,394,442</u>
<b>NET CURRENT ASSETS</b>		<u>3,275,380</u>	<u>2,065,479</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,678,723</u>	<u>2,517,942</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	17	<u>1,027,659</u>	<u>6,457</u>
		<u>2,651,064</u>	<u>2,511,485</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	23	130,767	144,919
Other reserves	24	44,233	30,081
Profit and loss account	24	2,476,064	2,336,485
<b>SHAREHOLDERS' FUNDS</b>	25	<u>2,651,064</u>	<u>2,511,485</u>

These accounts were approved by the directors and authorised for issue on 7 October 2014, and are signed on their behalf by:

MR J TONER

MR T PICKING

The notes on pages 13 to 31 form part of these group financial statements.

# WILLIAMS INDUSTRIAL SERVICES LIMITED

## BALANCE SHEET

31 MAY 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	10	7,060	14,120
Tangible assets	11	308,809	302,670
Investments	12	8	2
		<u>315,877</u>	<u>316,792</u>
<b>CURRENT ASSETS</b>			
Stocks	13	3,313,814	2,467,163
Debtors	14	4,495,550	3,746,852
Cash at bank and in hand		2,904,233	3,014,437
		<u>10,713,597</u>	<u>9,228,452</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>6,956,694</u>	<u>6,910,324</u>
<b>NET CURRENT ASSETS</b>		<u>3,756,903</u>	<u>2,318,128</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,072,780</u>	<u>2,634,920</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	17	<u>1,027,659</u>	<u>—</u>
		<u>3,045,121</u>	<u>2,634,920</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	23	130,767	144,919
Other reserves	24	44,233	30,081
Profit and loss account	24	2,870,121	2,459,920
<b>SHAREHOLDERS' FUNDS</b>		<u>3,045,121</u>	<u>2,634,920</u>

These accounts were approved by the directors and authorised for issue on 7 October 2014, and are signed on their behalf by:

MR J TONER

MR T PICKING

Company Registration Number: NI028974

The notes on pages 13 to 31 form part of these group financial statements.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**

**GROUP CASH FLOW STATEMENT**

**YEAR ENDED 31 MAY 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>26</b>	<b>1,247,139</b>	<b>(1,668,196)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>26</b>	<b>(39,521)</b>	<b>5,921</b>
<b>TAXATION</b>	<b>26</b>	<b>(258,718)</b>	<b>(274,451)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>26</b>	<b>(95,333)</b>	<b>(400,465)</b>
<b>ACQUISITIONS AND DISPOSALS</b>	<b>26</b>	<b>(6)</b>	<b>–</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>853,561</b>	<b>(2,337,191)</b>
<b>FINANCING</b>	<b>26</b>	<b>403,067</b>	<b>(697,127)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>26</b>	<b><u>1,256,628</u></b>	<b><u>(3,034,318)</u></b>

The notes on pages 13 to 31 form part of these group financial statements.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off. The results of companies acquired or disposed of are included in the group profit and loss account from or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**Revenue recognition**

Turnover represents the value of goods and services supplied and invoiced during the year and is net of value added tax.

*Long term construction contracts*

Revenue from long term construction contracts arises from increases in valuations on contracts and is the gross value of work carried out for the year to the balance sheet date. Profits on contracts are calculated in accordance with accounting standards and industry practice. Industry practice is to assess the estimated final out-turn of each contract and recognise the profit based upon the percentage of completion of the contract at the relevant date. Percentage completion is calculated by taking certified value to date as a percentage of estimated final value of the contract. Full provision is made for losses incurred or foreseen in bringing contracts to completion as soon as they become apparent.

*Short term contracts*

Revenue from short term contracts arises from increases in valuations and is the gross value of work carried out for the year to the balance sheet date. Full provision is made for losses incurred or foreseen in bringing contracts to completion as soon as they become apparent.

*Service contracts*

Revenue from services is recognised when the service is provided.

*Interest income*

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

*Revenue grants*

Revenue grants are accounted for as and when they become receivable.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

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

**Goodwill**

Goodwill on acquisitions is initially included at cost after including the identifiable assets and liabilities of an acquired undertaking at fair value. Where a business is acquired the resulting goodwill is included in the individual balance sheets of the acquiring group company and is written off in equal installments over periods determined by the directors. Acquired goodwill included in the company's individual balance sheet is being written off over 20 years and acquired goodwill included in the balance sheet of TOT Technical (NI) Limited is being written off over 7 years. Where the share capital of a company has been acquired any goodwill on consolidation is capitalised and written off.

**Amortisation**

Amortisation 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:

Goodwill - Written off in equal annual instalments as above

**Fixed assets investments**

Tangible fixed assets are carried at cost less accumulated depreciation.

**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:

Freehold Buildings	- 2% Straight line
Plant & Machinery	- 25% Straight line
Fixtures, Fittings & Equipment	- 25% Reducing balance
Motor Vehicles	- 25% Reducing balance
Office Equipment	- 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.

**Work in progress**

Long term construction work in progress is valued at cost plus profit recognised to date less any provision for foreseeable losses and less amounts billed. Short term work in progress is valued using the same method but excludes any element of profit. Cost includes all direct expenditure plus attributable overheads based on normal level of activity. Where cash received from customers exceeds the value of work performed, the amount is included in credit balances on long term contracts.



**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

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

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**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 group operates defined contribution schemes for employees. The assets of the schemes are held separately from those of the group. The annual contributions payable are charged to the group profit and loss account.

**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.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

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

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**2. TURNOVER**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK and Ireland.

**3. OTHER OPERATING INCOME**

	2014	2013
	£	£
Sundry income	9,518	8,834
Revenue grants receivable	167,166	109,604
	<u>176,684</u>	<u>118,438</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Amortisation of intangible assets	55,631	548,234
Depreciation of owned fixed assets	75,406	279,587
Depreciation of assets held under hire purchase agreements	9,161	–
Loss on disposal of fixed assets	4,261	7,650
Auditor's remuneration		
- as auditor	21,550	24,600
- for other services	115,000	86,850
Operating lease costs:		
- Motor vehicles	<u>114,832</u>	<u>51,362</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**5. PARTICULARS OF EMPLOYEES**

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

	2014	2013
	No	No
Number of production staff	110	103
Number of administrative staff	5	5
Number of management staff	26	26
	<u>141</u>	<u>134</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	4,406,649	4,325,946
Social security costs	449,511	449,265
Other pension costs	190,418	231,896
	<u>5,046,578</u>	<u>5,007,107</u>

**6. DIRECTORS' REMUNERATION**

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

	2014	2013
	£	£
Remuneration receivable	412,015	572,978
Value of company pension contributions to money purchase schemes	87,228	135,097
	<u>499,243</u>	<u>708,075</u>

**Remuneration of highest paid director:**

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	123,594	146,417
Value of company pension contributions to money purchase schemes	34,366	68,033
	<u>157,960</u>	<u>214,450</u>

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

	2014	2013
	No	No
Money purchase schemes	<u>4</u>	<u>5</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Interest payable on bank borrowing	47,714	37,554
Finance charges	716	–
Interest on other loans	12,410	–
Interest on overdue taxation	2,614	–
	<u>63,454</u>	<u>37,554</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

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

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22.66% (2013 - 23.83%)	193,868	261,850
Total current tax	193,868	261,850
Deferred tax:		
Origination and reversal of timing differences	26,640	(17,228)
Tax on profit on ordinary activities	<u>220,508</u>	<u>244,622</u>

**(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 22.66% (2013 - 23.83%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>1,043,420</u>	<u>537,702</u>
Profit on ordinary activities by rate of tax	236,439	128,134
Marginal relief	(4,271)	(2,771)
Depreciation in excess of capital allowances	(20,387)	23,952
Adjustment for items not deductible for tax purposes	10,922	139,089
Research & development relief claim	–	(29,490)
(Underprovision)/Overprovision	(510)	2,936
Patent box relief	(28,325)	–
Total current tax (note 8(a))	<u>193,868</u>	<u>261,850</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The profit dealt with in the group financial statements of the parent company was £1,093,534 (2013 - £649,231).

**10. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 June 2013 and 31 May 2014	<u>973,803</u>
<b>AMORTISATION</b>	
At 1 June 2013	866,586
Charge for the year	<u>55,631</u>
At 31 May 2014	<u>922,217</u>
<b>NET BOOK VALUE</b>	
At 31 May 2014	<u>51,586</u>
At 31 May 2013	<u>107,217</u>
<b>Company</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 June 2013 and 31 May 2014	<u>141,200</u>
<b>AMORTISATION</b>	
At 1 June 2013	127,080
Charge for the year	<u>7,060</u>
At 31 May 2014	<u>134,140</u>
<b>NET BOOK VALUE</b>	
At 31 May 2014	<u>7,060</u>
At 31 May 2013	<u>14,120</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**11. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>COST</b>						
At 1 Jun 2013	95,000	1,533,098	96,681	425,938	150,499	2,301,216
Additions	–	–	639	100,791	22,970	124,400
Disposals	–	(16,467)	–	(128,551)	(29,692)	(174,710)
<b>At 31 May 2014</b>	<b>95,000</b>	<b>1,516,631</b>	<b>97,320</b>	<b>398,178</b>	<b>143,777</b>	<b>2,250,906</b>
<b>DEPRECIATION</b>						
At 1 Jun 2013	3,800	1,491,131	80,195	255,445	125,399	1,955,970
Charge for the year	1,900	11,217	4,281	51,464	15,705	84,567
On disposals	–	(16,467)	–	(95,223)	(29,692)	(141,382)
<b>At 31 May 2014</b>	<b>5,700</b>	<b>1,485,881</b>	<b>84,476</b>	<b>211,686</b>	<b>111,412</b>	<b>1,899,155</b>
<b>NET BOOK VALUE</b>						
<b>At 31 May 2014</b>	<b>89,300</b>	<b>30,750</b>	<b>12,844</b>	<b>186,492</b>	<b>32,365</b>	<b>351,751</b>
At 31 May 2013	91,200	41,967	16,486	170,493	25,100	345,246

**Hire purchase agreements**

Included within the net book value of £351,751 is £64,130 (2013 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the group financial statements in the year in respect of such assets amounted to £9,161 (2013 - £Nil).

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
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**11. TANGIBLE FIXED ASSETS** *(continued)*

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Office equipment £	Total £
<b>COST</b>						
At 1 Jun 2013	95,000	1,429,901	81,443	408,288	150,499	2,165,131
Additions	–	–	–	85,291	22,970	108,261
Disposals	–	(16,467)	–	(122,401)	(29,692)	(168,560)
<b>At 31 May 2014</b>	<b>95,000</b>	<b>1,413,434</b>	<b>81,443</b>	<b>371,178</b>	<b>143,777</b>	<b>2,104,832</b>
<b>DEPRECIATION</b>						
At 1 Jun 2013	3,800	1,421,194	70,067	242,001	125,399	1,862,461
Charge for the year	1,900	2,902	2,844	46,903	15,705	70,254
On disposals	–	(16,467)	–	(90,533)	(29,692)	(136,692)
<b>At 31 May 2014</b>	<b>5,700</b>	<b>1,407,629</b>	<b>72,911</b>	<b>198,371</b>	<b>111,412</b>	<b>1,796,023</b>
<b>NET BOOK VALUE</b>						
<b>At 31 May 2014</b>	<b>89,300</b>	<b>5,805</b>	<b>8,532</b>	<b>172,807</b>	<b>32,365</b>	<b>308,809</b>
At 31 May 2013	91,200	8,707	11,376	166,287	25,100	302,670

**Hire purchase agreements**

Included within the net book value of £308,809 is £64,130 (2013 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the group financial statements in the year in respect of such assets amounted to £9,161 (2013 - £Nil).

**12. INVESTMENTS**

Group	Total £
<b>COST</b>	
Additions	6
<b>At 31 May 2014</b>	<b>6</b>
<b>NET BOOK VALUE</b>	
<b>At 31 May 2014</b>	<b>6</b>
At 31 May 2013	–

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**12. INVESTMENTS** *(continued)*

Investments are represented by shareholdings in the following three associated undertakings:

**Holdco1 Limited**

Country of incorporation	Northern Ireland
Shares held	1 Ordinary £1 share
Proportion of nominal value shares held	50%
Principle activities	Dormant
Company registration number	NI623424

Holdco1 Limited was incorporated on 13 March 2014. Management accounts have not yet been prepared.

**Par Biogas Limited**

Country of incorporation	Northern Ireland
Shares held	255 'A' Ordinary £0.01 shares
Proportion of nominal value shares held	25.50%
Principle activities	Engineering & construction
Company registration number	NI623437

Par Biogas Limited was incorporated on 14 March 2014. The company did not trade in the period to 31 May 2014 and management accounts have not yet been prepared.

**Bridge Energy (NI) Limited**

Country of incorporation	Northern Ireland
Shares held	255 'A' Ordinary £0.01 shares
Proportion of nominal value shares held	25.50%
Principle activities	Engineering & construction
Company registration number	NI623946

Bridge Energy (NI) Limited was incorporated on 7 April 2014. The company did not trade in the period to 31 May 2014 and management accounts have not yet been prepared.

Company	Group companies £
<b>COST</b>	
At 1 June 2013	2
Additions	6
At 31 May 2014	<u>8</u>
<b>NET BOOK VALUE</b>	
At 31 May 2014	<u>8</u>
At 31 May 2013	<u>2</u>



**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**12. INVESTMENTS** *(continued)*

Investments are represented by shareholdings in the following:

**Associated undertakings**

**Holdco1 Limited**

Country of incorporation	Northern Ireland
Shares held	1 Ordinary £1 share
Proportion of nominal value shares held	50%
Principle activities	Dormant
Company registration number	NI623424

Holdco1 Limited was incorporated on 13 March 2014. Management accounts have not yet been prepared.

**Par Biogas Limited**

Country of incorporation	Northern Ireland
Shares held	255 'A' Ordinary £0.01 shares
Proportion of nominal value shares held	25.50%
Principle activities	Engineering & construction
Company registration number	NI623437

Par Biogas Limited was incorporated on 14 March 2014. The company did not trade in the period to 31 May 2014 and management accounts have not yet been prepared.

**Bridge Energy (NI) Limited**

Country of incorporation	Northern Ireland
Shares held	255 'A' Ordinary £0.01 shares
Proportion of nominal value shares held	25.50%
Principle activities	Engineering & construction
Company registration number	NI623946

Bridge Energy (NI) Limited was incorporated on 7 April 2014. The company did not trade in the period to 31 May 2014 and management accounts have not yet been prepared.

**Subsidiaries**

**TOT Technical (NI) Limited**

Country of incorporation	Northern Ireland
Shares held	1 Ordinary £1 share
Proportion of nominal value shares held	100%
Principle activities	Engineering
Company registration number	NI068839

The above subsidiary is exempt from the requirements relating to the audit of their accounts under section 479A of the Companies Act 2006.

**JRP Inns Limited**

Country of incorporation	Northern Ireland
Shares held	30,000 Ordinary £1 shares
Proportion of nominal value shares held	100%
Principle activities	Dormant
Company registration number	NI062423

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**12. INVESTMENTS** *(continued)*

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Stock	93,649	84,778	60,561	56,583
Work in progress	3,423,985	2,414,662	3,253,253	2,410,580
	<u>3,517,634</u>	<u>2,499,440</u>	<u>3,313,814</u>	<u>2,467,163</u>

**14. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	3,768,422	3,816,029	3,648,752	3,617,637
Amounts owed by group undertakings	–	–	128,236	–
Amounts owed by undertakings in which the company has a participating interest	591,986	–	591,986	–
Other debtors	2,697	–	2,697	–
Deferred taxation (Note 15)	72,566	99,206	72,566	99,206
Prepayments and accrued income	53,133	30,809	51,313	30,009
	<u>4,488,804</u>	<u>3,946,044</u>	<u>4,495,550</u>	<u>3,746,852</u>

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

**15. DEFERRED TAXATION**

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

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Asset brought forward	99,206	81,978	99,206	81,978
(Decrease)/Increase in asset	(26,640)	17,228	(26,640)	17,228
Asset carried forward	<u>72,566</u>	<u>99,206</u>	<u>72,566</u>	<u>99,206</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Group</b>	<b>2014</b>		<b>2013</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Excess of depreciation over taxation allowances	<u>72,566</u>	<u>–</u>	<u>99,206</u>	<u>–</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**15. DEFERRED TAXATION** *(continued)*

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	<u>72,566</u>	<u>-</u>	<u>99,206</u>	<u>-</u>

**16. CREDITORS: Amounts falling due within one year**

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Whiterock Capital Partners - unsecured loan	223,221	-	223,221	-
Bank loans and overdrafts	1,996,970	3,366,749	1,969,418	3,143,974
Payments received on account	20,997	167,000	20,997	167,000
Trade creditors	4,194,615	2,443,964	4,008,682	2,216,396
Amounts owed to group undertakings	-	-	-	561,270
Hire purchase agreements	21,817	-	21,817	-
Corporation tax	197,000	261,850	135,000	220,000
Other taxation and social security	602,682	638,963	449,820	486,542
Other creditors	361,543	361,543	-	-
Accruals and deferred income	193,339	154,373	127,739	115,142
	<u>7,812,184</u>	<u>7,394,442</u>	<u>6,956,694</u>	<u>6,910,324</u>

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

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Bank loans and overdrafts	<u>1,996,970</u>	<u>3,329,452</u>	<u>1,969,418</u>	<u>3,143,974</u>

**17. CREDITORS: Amounts falling due after more than one year**

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Whiterock Capital Partners - unsecured loan	990,859	-	990,859	-
Bank loans and overdrafts	-	6,457	-	-
Hire purchase agreements	36,800	-	36,800	-
	<u>1,027,659</u>	<u>6,457</u>	<u>1,027,659</u>	<u>-</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**17. CREDITORS: Amounts falling due after more than one year (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>—</u>	<u>6,457</u>	<u>—</u>	<u>—</u>

**18. WHITEROCK CAPITAL PARTNERS**

The unsecured loan from Whiterock Capital Partners totalling £1,214,080 at 31 May 2014 is repayable by 60 equal instalments of £24,166 per month of which 58 are outstanding at the year end. The interest rate charged is 5.01% above 12 month LIBOR with a minimum rate of 6%. In addition a further charge is payable of 1.70% of the company's annual earnings before interest, tax, depreciation and amortisation (EBITDA) due on 1 October each year for a period of 4 years with a final payment due on 1 October 2018 subject to a maximum total payment of £231,150.

**19. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Group and Company</b>		
Amounts payable within 1 year	(21,817)	-
Amounts payable between 1 and 2 years	(21,792)	-
Amounts payable between 3 and 5 years	(15,008)	-
	<u>(58,617)</u>	<u>-</u>

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 May 2014 the group had annual commitments under non-cancellable operating leases as set out below.

<b>Group</b>	<b>Assets other than Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	22,543	69,388
Within 2 to 5 years	<u>103,875</u>	<u>97,836</u>
	<u>126,418</u>	<u>167,224</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**20. COMMITMENTS UNDER OPERATING LEASES** *(continued)*

At 31 May 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Assets other than land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within 1 year	22,543	69,388
Within 2 to 5 years	103,875	97,836
	<u>126,418</u>	<u>167,224</u>

**21. SECURITY AND CONTINGENCIES**

The First Trust Bank holds as security, for any company borrowings, a mortgage debenture incorporating a fixed and floating charge over all company assets.

Mr Robert Adamson holds as security, in respect of payment for 34,517 ordinary A shares of £1 each totalling £1,666,667, a debenture incorporating a second fixed and floating charge over all company assets. This debenture ranks behind that of the First Trust Bank.

There are contingent liabilities in respect of the following:

	2014 £	2013 £
a) Contract bonds with the First Trust Bank totalling;	<u>1,823,868</u>	<u>285,000</u>

b) A guarantee extended by the company to the Bank of Ireland up to a maximum of £50,000 in respect of provision of banking facilities to JRP Inns Limited, a wholly owned subsidiary.

c) The company has given a letter of guarantee to the First Trust Bank, in respect of borrowings by TOT Technical (NI) Limited, a wholly owned subsidiary company for £650,000 plus interest, supported by a Letter of Lien over company credit balances for that amount.

d) The members of the company have agreed that TOT Technical (NI) Limited, a wholly owned subsidiary, may claim exemption from audit under section 479A of the Companies Act 2006 for the current year. In order for the exemption to take effect the company has given an undertaking to guarantee TOT Technical (NI) Limited in respect of all its outstanding liabilities at 31 May 2014, at which time TOT Technical (NI) Limited had liabilities of £489,027 and assets of £589,671.

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**22. RELATED PARTY TRANSACTIONS**

**(a) With a pension scheme for the benefit of one current and one past director**

The company occupies properties and pays rent at the deemed market rate on two properties which are owned by a pension scheme for the benefit of one director and one past director. During the year rent of £77,000 (2013 - £77,000) was paid to the pension scheme.

**(b) With Mr R Adamson**

Mr Adamson was a director of the company up until 28 March 2013 when he tendered his resignation. On that date agreement was reached whereby the company agreed to purchase his entire shareholding of 70,000 ordinary A shares of £1 each for £3,380,000. 21,331 shares were purchased in the year ended 31 May 2013 for £1,030,000, 14,152 shares were purchased in the current year for £683,333 leaving 34,517 shares to be purchased in annual installments over a five year period for the sum of £1,666,667.

**23. SHARE CAPITAL**

**Allotted and called up:**

	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary A shares (2013 - 118,669) fully paid of £1 each	<b>104,517</b>	<b>104,517</b>	118,669	118,669
Ordinary B shares fully paid of £1 each	<b>26,250</b>	<b>26,250</b>	26,250	26,250
	<b><u>130,767</u></b>	<b><u>130,767</u></b>	<b><u>144,919</u></b>	<b><u>144,919</u></b>

**24. RESERVES**

<b>Group</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
Balance brought forward	<b>30,081</b>	<b>2,336,485</b>
Profit for the year	<b>—</b>	<b>822,912</b>
Other movements		
Purchase of own ordinary A shares	<b>14,152</b>	<b>(683,333)</b>
Balance carried forward	<b><u>44,233</u></b>	<b><u>2,476,064</u></b>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
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**24. RESERVES** *(continued)*

Company	Capital redemption reserve £	Profit and loss account £
Balance brought forward	30,081	2,459,920
Profit for the year	–	1,093,534
Other movements		
Purchase of own ordinary A shares	14,152	(683,333)
Balance carried forward	<u>44,233</u>	<u>2,870,121</u>

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

	2014 £	2013 £
Profit for the financial year	822,912	293,080
Purchase of own ordinary A shares	(14,152)	(21,331)
Premium on purchase of own ordinary A shares	(669,181)	(1,008,669)
Net addition/(reduction) to shareholders' funds	139,579	(736,920)
Opening shareholders' funds	<u>2,511,485</u>	<u>3,248,405</u>
Closing shareholders' funds	<u>2,651,064</u>	<u>2,511,485</u>

**26. NOTES TO THE CASH FLOW STATEMENT**

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

	2014 £	2013 £
Operating profit	1,082,941	531,781
Amortisation	55,631	548,234
Depreciation	84,567	279,587
Loss on disposal of fixed assets	4,261	7,650
Increase in stocks	(1,018,194)	(1,394,661)
Increase in debtors	(569,400)	(1,083,414)
Increase/(decrease) in creditors	1,607,333	(557,373)
Net cash inflow/(outflow) from operating activities	<u>1,247,139</u>	<u>(1,668,196)</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2014 £	2013 £
Interest received	23,933	43,475
Interest paid	(62,738)	(37,554)
Interest element of hire purchase	(716)	–
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(39,521)</u>	<u>5,921</u>

**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**26. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**TAXATION**

	2014 £	2013 £
Taxation	<u>(258,718)</u>	<u>(274,451)</u>

**CAPITAL EXPENDITURE**

	2014 £	2013 £
Payments to acquire intangible fixed assets	–	(492,603)
Payments to acquire tangible fixed assets	(124,400)	(38,394)
Receipts from sale of fixed assets	<u>29,067</u>	<u>130,532</u>
Net cash outflow from capital expenditure	<u>(95,333)</u>	<u>(400,465)</u>

**ACQUISITIONS AND DISPOSALS**

	2014 £	2013 £
Acquisition of shares in group undertakings	<u>(6)</u>	–
Net cash outflow from acquisitions and disposals	<u>(6)</u>	–

**FINANCING**

	2014 £	2013 £
Purchase of own equity shares	(14,152)	(21,331)
Premium on purchase of own equity shares	(669,181)	(1,008,669)
Increase in unsecured loan	1,214,080	–
Repayment of bank loans and overdrafts	(186,297)	(28,670)
Net inflow from other short-term creditors	–	361,543
Capital element of hire purchase	<u>58,617</u>	–
Net cash inflow/(outflow) from financing	<u>403,067</u>	<u>(697,127)</u>



**WILLIAMS INDUSTRIAL SERVICES LIMITED**  
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**26. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

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

	2014 £	2013 £
Increase/(decrease) in cash in the period	1,256,628	(3,034,318)
Net cash (inflow) from unsecured loan	(1,214,080)	–
Net cash outflow from bank loans	186,297	28,670
Net (inflow) from other short-term creditors	–	(361,543)
Cash outflow in respect of hire purchase	(58,617)	–
	<u>170,228</u>	<u>(3,367,191)</u>
Change in net debt	170,228	(3,367,191)
Net debt at 1 June 2013	(720,312)	2,646,879
Net debt at 31 May 2014	<u>(550,084)</u>	<u>(720,312)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jun 2013 £	Cash flows £	At 31 May 2014 £
Net cash:			
Cash in hand and at bank	3,014,437	66,689	3,081,126
Overdrafts	(3,181,271)	1,189,939	(1,991,332)
	<u>(166,834)</u>	<u>1,256,628</u>	<u>1,089,794</u>
Debt:			
Debt due within 1 year	(547,021)	(43,381)	(590,402)
Debt due after 1 year	(6,457)	(984,402)	(990,859)
Hire purchase agreements	–	(58,617)	(58,617)
	<u>(553,478)</u>	<u>(1,086,400)</u>	<u>(1,639,878)</u>
Net debt	<u>(720,312)</u>	<u>170,228</u>	<u>(550,084)</u>

**27. POST BALANCE SHEET EVENTS**

When Mr R Adamson resigned from the company as a director on 28 March 2013, an agreement was entered into with him whereby the company agreed to purchase his holding of 70,000 ordinary A shares of £1 each. The agreed consideration totalled £3,380,000, which amounted to 42.1% of the issued share capital. The purchase was structured over a 6 year period, with 21,331 shares purchased by the company in the year ended 31 May 2013 for £1,030,000 and 14,152 shares purchased in the current year for £683,333. The remaining 34,517 shares valued at £1,666,667 are to be purchased by the company in 5 equal installments on 28 March each year from 2015 to 2019.