Company number: 3626335

FIELD SYSTEMS DESIGNS HOLDINGS PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2016

DIRECTORS AND OFFICERS

DIRECTORS

D K Bird	Non-executive chairman
P J Haines	
D F Lower	
B D Smith	
R M Hunter	
N M Billings	
M H Engler	Non-executive

SECRETARY

B D Smith

REGISTERED OFFICE

Spring Court
Station Road
Dorking
Surrey
RH4 1EB

AUDITOR

Mazars LLP
Chartered Accountants
& Statutory Auditor
Times House
Throwley Way
Sutton
SM1 4JQ

BANKERS

HSBC Bank Plc
168 High Street
Guildford
Surrey
GU1 3YU

CHAIRMAN'S STATEMENT

I am pleased to announce the results of Field Systems Designs Holdings plc (FSD) for the year ended 31 May 2016.

Finally Asset Management Programme (AMP6) in the Water industry has arrived and the group's investment in the Energy from Waste sector (EfW) has generated real growth. Working in these industries is still tough; with both contractual and operational complexities; however this year's results reflect a solid performance.

The Water Industry's sixth 5-year build and refurbishment Asset Management Programme (AMP6) running to April 2020 has now commenced. There was a delayed start to AMP6 with slow release of work, however residue works from the tail-off from AMP5 helped to maintain volumes in the water sector in the current year.

The group's move to diversify into the Energy from Waste sector (EfW) has proven successful. These major projects from different clients have rewarded the long-term relationship -building in the sector and reflect the confidence that FSD has now built in delivering these complex projects.

The group continues to promote its recognised position in the Water Industry by pursuing new framework agreements under AMP6. FSD has established a strong reputation in delivering complex solutions on target and hopes to build on its considerable prior experience by participating fully with the Water Utilities during their next investment phase.

FSD now offers the favoured full Mechanical and Electrical (M&E) solution with the benefit of its in-house mechanical fabrication and erection capability which gives the group control over its programme commitments.

The group is positive about the outlook for performance in 2017/2018, as it is well-positioned with a good opening order book to maximise the benefits from future opportunities.

D K Bird
Chairman

31 October 2016

STRATEGIC REPORT

The directors present the Strategic Report for Field Systems Designs Holdings Plc ('the company') and its subsidiary undertakings (together referred to as 'the group') for the year ended 31 May 2016.

OPERATIONAL PERFORMANCE

The group achieved a turnover of £14.5million for the year to 31 May 2016, an increase of 1% on last year, reflecting the slow-down of work in the Water Industry as the end of AMP5 approached, but a significant increase in work from the EfW sector.

Turnover was generated as follows:	**2016**	**2015**
	£	**£**
Water and Sewerage	8,986,968	9,257,988
Power generation and Energy from Waste	5,328,437	4,394,156
Rail, Transport and Tunnels	14,370	54,721
Building services, Maintenance, Security, Instrumentation, Controls and Automation	153,949	696,250
	14,483,724	14,403,115

Gross profit margins improved slightly in the year ended 31 May 2016 to 7.8% from 7.2% last year. However gross margins remain less than budget as downward pressure on gross profits remains as projects suffer from tough contractual stances from the Energy from Waste sector and operating difficulties have arisen with the Water Industry Tier One contractors as new project teams are being formed as AMP6 starts to grow.

The group achieved a fair operating profit for the year of £335,028 (2015: £238,038). In view of the economic climate the directors are pleased to report a solid group profit after tax of £307,523 for the year ended 31 May 2016 (2015: £204,112)

BUSINESS REVIEW

The Field Systems Designs group (FSD) focuses on delivering specialist mechanical and electrical design and installation works.

Water and Sewerage

Sales volumes were again dominated by the Water Industry where 62% of turnover in 2016 was derived (2015: 64%).

AMP5 in theory ceased in April 2015, however some residual projects were still completed during the year. Crossness Sewage Treatment Works (STW) was finished and work faces on long-term delayed projects such as Lee Valley were finally released for construction.

Early projects were released under AMP6 and the experience, patience and expertise of its operatives were put to the test in working under a new regime of working practices by its new Tier One customers.

BUSINESS REVIEW (continued)

Power generation and Energy from Waste

The group increased its presence in the Power sector where it derived 37% of turnover in 2016 (2015: 31%).

FSD won further Energy from Waste contracts from new customers where the group continues to build on its previous success in the sector. Additional projects were secured in the sector, using Incineration, Gasification and Biomass technologies.

The Tyseley and Welland projects use advanced thermal treatment gasification technology. The Greatmoor project uses mass-burn incineration chain grate technology. Levenseat and Hull projects use advanced thermal treatment gasification technology.

There were also works on generators and Combined Heat & Power (CHP) units providing instrumentation, electrical engineering and installation services; and outage works at Hartlepool Nuclear Power Station.

Rail, Transport and Tunnels

FSD continues to deliver minor electrical installation services in the transportation industries supporting mainly the underground sector.

Building services, Maintenance, Security, Instrumentation, Controls and Automation

FSD continues to deliver electrical installation services in the commercial, security, water and rail sectors, building its reputation by offering its existing customer base quality, timeliness and value for money. The range of services includes lighting, power distribution, fire-alarm and security systems has grown turnover.

Mechanical fabrication and installation

This year the group continued to take on M&E installation contracts through its mechanical subsidiary which continues to build up its client base and its reputation for quality fabrication and installation services.

There were some major pipework fabrication and installation contracts undertaken during the year for projects in the Water industry. The AMP6 spend in England released works to the FSD group such as water treatment works, pumping stations and CHP units.

Profitability at the division was poor primarily as a result of difficulties with early projects released under AMP6 and extra costs in dealing with a new regime of working practices by its new Tier One customers could not be recovered.

PRINCIPAL RISKS AND UNCERTAINTIES

The board regularly undertakes a review of business risks and uncertainties confronting the group and evaluates the significant project risks affecting its business. The following issues are the principal risks and uncertainties faced by the group.

Economic
The group's business may be affected by market forces beyond its control. During a downturn all competing companies operating in the same industry sectors will be impacted by economic and political change that will alter the volume and value of available work.

Brexit
On 23 June 2016, the people of the UK voted to leave the EU (Brexit); there has consequently been volatility in financial markets, in currency markets and uncertainty over future actions by governments and businesses. The directors are considering the long-term impact of Brexit as the implications become known, however the short-term effects are inflationary primarily on material pricing as a consequence of weaker sterling. The board is acting on information that price increases are already being made by suppliers of materials and on the anticipated consequential effects that this will have on wage and price inflation generally.

Cyclical trading
The group is heavily reliant on the Water industry and its business is affected by the cyclical nature of the UK market caused by the 5-year Asset Management Programmes governed by OFWAT. At the beginning and the end of each AMP the water industry suffers a downturn as all competing companies operating in this industry are chasing a reduced volume of available work. The group mitigates these uncertainties by continually monitoring changes in its market sector, by focusing its sales efforts on non-water industry work flows and reviewing regularly forecasted sales opportunities to ensure that adequate sales volumes can be secured.

Skilled personnel
The group is dependent on the quality, attention and diligence of its personnel across the full spectrum of its skill disciplines. The group's ability to attract, retain, train and motivate its skilled management and personnel will be reflected by business growth, profitability and a reputation for quality work. The group offers 'added-value' to its customers by offering a superior quality of project management, engineering and supervisory resource to complement its installation services. It is this wealth of knowledge and experience that sets FSD aside from its competition.

The board reviews personnel issues on a monthly basis and the Safety, Health, Environment and Quality manager (SHEQ) ensures there is investment in training programmes for site and management to broaden the competence, knowledge and experience of its employees.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Health and safety
The group demands effective and successful management of health and safety risks by its supply-chain and similar demands are rightly made by its own customer base. Constant vigilance is paramount and any accident can have serious consequences. The commitment to enforcing safe working and adherence to regulation is strong at board level and flows through the organisation through qualified specialists, continual instruction and training. The group is extremely aware of the potential for an ‘incident’ to damage the group and gives constant attention to ensuring that this risk is kept to a minimum. The board, supported by a highly qualified health and safety specialist, endorses the importance of vigilant health and safety practices.

Long term contracts – bidding
The majority of group turnover is from fixed price contracts. By definition failure to adequately assess from client’s specifications the full scope of works, the correct pricing of that work and the time required to complete the work may have serious ramifications on profitability. There are specific risk management procedures in place to ensure that prices estimated for fixed price contracts are accurate and to ensure the correct costing of successful bids as the work progresses. The Tender Approval Procedure (TAP) is a key risk management tool used to minimise these risks. The TAP completion process identifies tender project risks, assesses the probability of their occurrence, their impact if they do occur and actions necessary to manage them down to an acceptable level. This procedure is used to ensure that commercial and contractual risks are monitored and managed by the board.

Long term contracts – costing
Fixed price contracts may also be subject to cost and time overruns, and the costs of additional work undertaken on variations may not be properly measured or fully recovered from the customer. The Project Summary Report (PSR) is a key risk management tool used to minimise these risks. The PSR completion process quantifies the value of project work undertaken after successful contract award, reviews the potential commercial risks and highlights any safety, technical, operational and environmental risks. This tool is used to ensure that commercial and contractual risks are monitored and managed by the board.

Competitiveness
The group has a leading market position in sectors such as the Water Industry, and has also penetrated other sectors such as the rail industry, power industry and Energy from Waste market to ensure a constant pipeline of enquiries. Nevertheless in an increasingly competitive environment and with cyclical volumes, accurate and competitive pricing is key to a successful contract award. The board constantly monitors the competitiveness of its cost base to ensure that its pricing remains competitive. Regular benchmarking and framework submissions also assist this process of review.

Financial instruments
The group uses financial instruments when required to provide a financing base for the group’s operations and derivatives are used to hedge against known commodity price and exchange rate exposures in contractual arrangements secured by the group. There may not always be instruments that provide accurate hedging or readily available markets for such hedges.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Cash flow

The group has a strong balance sheet and access to additional debt funding, and trades comfortably within its current working capital. Customers may require additional project work to be undertaken and the group may be required to fund this work for a period of time until the additional costs can be formally approved and funds received. The group may also experience an increase in the level of credit given to customers as a consequence of a change in their financial status or payment systems. In such circumstances there are short-term cash-flow consequences which are managed carefully by the finance department and any consequences mitigated.

KEY PERFORMANCE INDICATORS (KPI's)

The board uses both financial and non-financial (operational) performance indicators in the analysis and management of the business. The indicators relate both to financial and contractual performance and to other non-financial areas, including but not limited to, employees, health and safety, quality assurance, customer satisfaction and the environment. KPI's are used by the management to run and monitor the business and many of the trends and results provide information which is commercially sensitive or is confidential in nature.

Financial

The main financial KPI used by the board is the measure of gross profit margin (being the gross project contribution as a percentage of turnover), as overheads can largely be controlled in line with budget, however margins on contractual activity are key to annual profitability. An overall target margin is set annually in advance after review of overhead structure and subsequently represents the average bid margin used in pricing projects. It is designed to cover group overheads plus an element of profit. The gross profit margin used in the annual budgeting process is used to benchmark monthly performance and provides for a degree of margin erosion due to difficulties in fully recovering the value of additional works requested by customers. This varies according to market conditions.

The actual margin experience is reflected in the reported results and a detailed review is contained within the operational performance reported earlier in the Strategic Report.

Non-financial

The board measures customer satisfaction using an independent on-line survey assessment. A rolling 12 month record is kept of customer feedback on project completion with charitable donations used to encourage participation. Customers are asked to complete answers to a number of questions regarding group performance including such areas as the focus on Safety and the Environment, completion of site work to programme, contract financial management and standard of workmanship.

The responses are used by the board as an independent confirmation of group performance levels and negative feedback is vigorously followed up and improvement measures implemented. The overall responses have been very good during the year.

KEY PERFORMANCE INDICATORS (KPI's) (continued)

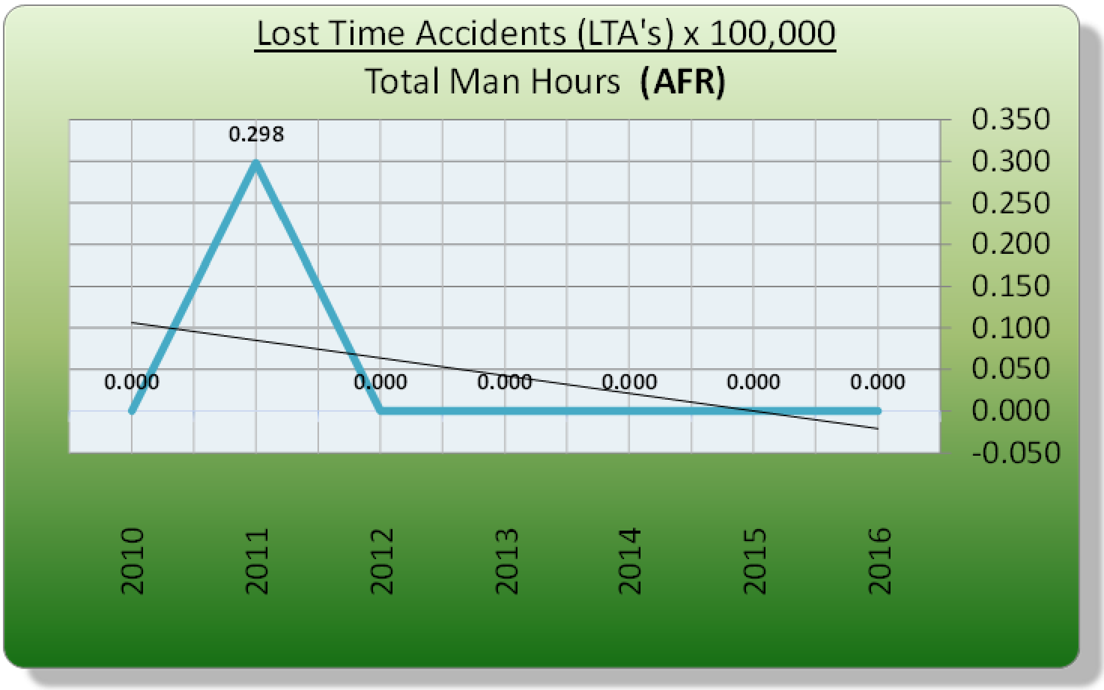
The ongoing independent assessments of the Group's Safety, Quality and Environmental Standards are key to it maintaining the efficiency of its operational performance and adherence to high levels of site safety and environmental awareness.

The group is approved to the Quality Management Standard ISO 9001:2008, has an environmental management system approved to ISO 14001:2004, and a safety management system accredited to OHSAS 18001:2007. Achilles UVDB, the Utilities Vendor DataBase performance assessor, regularly review the group's processes for managing and installing electrical services, as well as its fault resolution procedures. The results of the 2016 Achilles audit were again excellent, reflecting 100% scores for both management systems and site evaluation, in the assessed areas of health & safety, environment, quality & social corporate responsibilities.

The Group has once again received a ROSPA Gold Award in health & Safety.

The group board has both corporate and personal responsibility to ensure that its operations are managed in a safe and environmentally controlled manner. In common with its industry the group measures its record on Health & Safety using an annual Accident Frequency Rate (AFR) chart.

The group targets a year on year decline in the AFR, shown below, which charts the number of lost time accidents per 100,000 man hours worked.



The group AFR is currently zero.

QUALITY ASSURANCE

FSD group is approved to the Quality Management Standard BS EN ISO 9001:2008. The British Standards Institute (BSI) and Achilles, the Utilities Sector procurement performance assessor, regularly review the company's processes for managing and installing electrical services, as well as its fault resolution procedures. Recent assessments have again been successfully completed with excellent results from the UVDB Verify audits.

The group is committed to a strategy that provides its clients with a high-quality service that conforms to the client's requirements. This strategy includes a strong management commitment to quality, the recruitment and retention of high calibre, experienced and well-trained staff, properly documented procedures, processes and controls, and compliance with all regulatory and legal requirements.

Quality Audits continue to be carried out across company sites on a regular basis to ensure compliance and to improve the company's activities. The annual management review meeting assesses the group's performance against targets and sets new targets.

ENVIRONMENT

FSD group has an environmental management system approved to the international environment standard, ISO 14001:2004. The BSI and Achilles regularly review the group's processes for managing its impact on the environment. The group has achieved its CEMARS (Certified Emissions Measurement and Reduction Scheme) accreditation and is now approved to ISO 14064-1:2006 as it strives to minimise harm to the environment, prevent pollution and use best practice environment solutions wherever possible to minimise its carbon foot-print. A risk assessment approach is used to manage environmental matters, and to identify and assess key environmental hazards arising from business activities and manage them appropriately.

HEALTH AND SAFETY

A commitment to Health and Safety is the group's number one priority. Every board meeting starts by focusing on preserving high safety standards and promoting a positive safety culture within the group, to ensure that our employees, customers, suppliers and the public are kept safe.

FSD group has a safety management system implemented across all sites that has successfully been approved to the Health and Safety Management System BS OHSAS 18001:2007, (the internationally recognised standard for management of occupational health and safety risks). The company achieved a ROSPA (Royal Society for the Prevention of Accidents) Gold Medal award this year.

There is a strong commitment at board level, supported by a highly qualified health and safety specialist, endorsing the importance of vigilant health and safety practices and investment in training for site and management to broaden the competence, knowledge and experience of its employees. This is supported by expert guidance provided by the EEF (Engineering Employers' Federation), ECA (Electrical Contractors Association) and CITB (Construction Industry Training Board). The group continues to establish safety initiatives and these are currently on target with a good safety record.

EMPLOYEES

Group employee numbers have increased slightly from an average of 96 in 2015 to 101 in 2016 reflecting a varied mix of work during the year.

We are pleased to place on record the appreciation of the efforts and support given to the group by its employees, who continue to make a significant contribution to the group.

PENSIONS

The group's pension deficit as at 31 May 2016 was £22,400 net of deferred tax, a reduction of 92% from £268,000 as at 31 May 2015. This is derived from the group's most recent actuarial review and reflects market conditions as at 31 May 2016.

CORPORATE RESPONSIBILITY

The group recognises its responsibilities to the people it employs, its customers and suppliers, its shareholders, the wider community and to the environment. We are a well-managed, responsible and ethical company and are determined to be widely recognised for our quality of installation, the skills of our people and the seriousness with which we take our corporate responsibilities.

OUTLOOK

The group entered the new financial year with an opening order book of £13.0 million (2015: £5.7 million).

The group’s principal source of revenue is from the Water Industry and key to its success during AMP6 (Sixth Asset Management Programme) will be its continued participation as part of the various frameworks being formulated by the Water Utilities to select its preferred supply chain.

AMP6 runs for five years to April 2020. Some Water Utilities have concluded their MEICA frameworks whereas others are still formulating their approach. Consequently sales volumes in the Water Industry have been slow to start which is consistent with prior years. However the signs are now clear that the spend is about to come through and the mid period of AMP6 should prove a busy one.

FSD has established a strong reputation in delivering complex solutions on target and hopes to build on its considerable prior experience by participating fully with the Water Utilities during their next investment phase. FSD has been fully involved in the prequalification processes to secure its position on frameworks and has been pursuing strategic alliances with water process companies.

Despite the commitment to gain successful placement on water frameworks, a degree of FSD’s sales effort has been committed to industries outside of water and towards new technology sectors such as Energy from Waste.

OUTLOOK (Continued)

We have built on our mass burn incineration success in the Energy from Waste sector by developing new relationships with EPC contractors in the advanced thermal treatment gasification sector which is attracting large investment. We are partnering on large EC&I projects (Electrical, Control and Instrumentation) and have secured Hull and Levenseat on this basis.

Some customers have formed Joint Ventures in this sector which is attracting a great deal of energy from waste pipeline for both current and future opportunity. While there has been some project uncertainty created by the government funding incentive of CFD (Contracts for Difference), projects are still progressing and are bankable on gate-fee alone. We now have an established pipeline of Energy from Waste opportunity which evidences our investment in this sector for organic growth and when CFD has been re-invented, the pipeline will be broadened.

We are also developing our combined heat and power (CHP) business and attracting new customers for large gas and diesel engine installation projects which offer other market opportunity entries outside of our core sectors of water and EfW.

With 11.5GW of generating capacity shut down over the past few years as a result of the 2015 large combustion plant directive, we are now also seeing enquiries landing for biomass conversion and both open and combined cycle gas turbine opportunity.

The ability of the group to confidently target MEICA turn-key solutions with its in-house M&E capabilities, using joint venture alliances and other working arrangements to deliver, has secured new projects for both Incineration and Gasification technologies in the EfW sector boosting sales volumes over the next few years and deepening the order book. Future potential works being pursued include a large biomass project, an open cycle gas turbine, a biogas direct grid injection and larger scale anaerobic digestion.

The board continues to react to customer demands and invest in training to keep standards high, whilst creating operational efficiencies to best position the business for the opportunities ahead.

On behalf of the board

Director
31 October 2016

DIRECTORS' REPORT

The directors present their report and the consolidated financial statements for the group and the company for the year ended 31 May 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company is investment holding.

The principal activities of the subsidiaries during the year were the design, project management, supply, installation, commissioning, servicing and maintenance of mechanical and electrical projects, including High Voltage (HV) and Low Voltage (LV) cabling with associated cable management systems, controls, instrumentation, pipework, steelwork and building services primarily in the power, energy from waste, water, commercial, and security industries.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The group achieved a turnover of £14.5million for the year to 31 May 2016, an increase of 1% on last year. A detailed review of the group's activities during the year and of its prospects is contained within the Chairman's Statement and the Strategic Report.

RESULTS AND DIVIDENDS

The consolidated profit for the year after taxation was £307,523 (2015: £204,112).
The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors served throughout the year:
D K Bird (Non-executive)
M H Engler (Non-executive)
P J Haines
D F Lower
B D Smith
R M Hunter
N Billings

The directors are not required to retire by rotation. The directors' interests in shares are disclosed in note 6 to the financial statements. There is appropriate directors' liability insurance in place in respect of all directors serving during the year.

ORDINARY SHARES

The company's shares have been quoted since December 1998 on the ISDX Growth Market (previously the PLUS/OFEX trading platforms) run by ICAP Securities & Derivatives Exchange. They started the year at 20.5p, fell to a low of 15.5p during the year and ended the year at 17.5p.

REAPPOINTMENT OF AUDITOR

A resolution to confirm the appointment of Mazars LLP will be put to the members at the annual general meeting.

FINANCIAL INSTRUMENTS

The group's financial instruments consist primarily of short term debtors and creditors. The directors regularly review the group's cash position to ensure effective cash management. The directors believe this policy effectively manages the group's price, credit, liquidity and cash flow risk.

CHARITABLE AND POLITICAL DONATIONS

The group made no political donations but made donations to charitable institutions amounting to £1,978 during the year (2015: £2,700). The group undertakes a number of initiatives to generate charitable donations including donations to encourage feedback from customers on tender proposals and anonymous feedback from site on safety issues. The group generally supports the Rainbow Trust, a local children's charity, and this year the Macmillan and Alzheimers Research charities.

RESEARCH AND DEVELOPMENT

The group is involved in research and development in promoting and developing new ideas designed to improve the efficiency and effectiveness of the business. The group's engineers and technical staff, supported by external computer programming specialists, develop and deliver technical advances, processes and innovations in order to achieve pragmatic solutions to issues experienced in providing the various services offered. Investment in specialised engineering software has led to products being developed that enable enhanced design resources to supplement its installation capabilities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that so far as each director is aware there is no relevant audit information of which the company's auditor are unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. There have been no post balance sheet events.

POST BALANCE SHEET EVENTS

There have been no post balance sheet events.

MATTERS COVERED IN THE STRATEGIC REPORT

Information regarding the business review, principal risks and uncertainties and key performance indicators has been disclosed within the strategic report as permitted by the relevant regulations.

On behalf of the board

Bruce Smith – Director 31 October 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Laws) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and profit or loss of the company and group for that period.
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In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group'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.

On behalf of the board

Bruce Smith - Director

31 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIELD SYSTEMS DESIGNS HOLDINGS PLC

We have audited the financial statements of Field Systems Designs Holdings Plc for the year ended 31 May 2016, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Statement of Changes in Equity, the Group Statement of Financial Position, the Parent Company Statement of Financial Position, the Group Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the 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 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 Ethical Standards for Auditors. This report is made solely to the parent company's members 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 parent company's members 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 parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2016 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIELD SYSTEMS DESIGNS HOLDINGS PLC (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Mike Bailey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Times House
Throwley Way
Sutton
SM1 4JQ

8 November 2016

GROUP INCOME STATEMENT
for the year ended 31 May 2016

	Notes	2016 £	2015 £
TURNOVER	1	14,483,724	14,403,115
Cost of sales		(13,358,007)	(13,362,690)
GROSS PROFIT		1,125,717	1,040,425
Operating expenses	2	(790,689)	(802,387)
GROUP OPERATING PROFIT		335,028	238,038
Gains arising on fair value of investment property		54,000	54,000
Interest receivable and similar income	3	375	362
Interest payable and similar charges	4	(17,746)	(15,238)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	371,657	277,162
Taxation	7	(64,134)	(73,050)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	19	307,523	204,112
EARNINGS PER SHARE			
Basic	17	5.70p	3.78p
Diluted	17	5.69p	3.77p

All operations are continuing.
The accompanying notes form part of these financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 May 2016

	Notes	2016 £	2015 £
Profit for the financial year	19	307,523	204,112
Remeasurement gain/(loss) arising on defined benefit pension scheme	24	220,000	(86,000)
Deferred tax movement on remeasurement arising on defined benefit pension scheme	24	(44,000)	17,200
		176,000	(68,800)
Total comprehensive income for the year	19	483,523	135,312

The accompanying notes form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 May 2016

GROUP	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total Shareholders' Equity
	£	**£**	**£**	**£**	**£**
At 1 June 2014	569,250	158,750	370,033	1,130,011	2,228,044
Profit for the year				204,112	204,112
Other comprehensive income				(68,800)	(68,800)
At 31 May 2015	569,250	158,750	370,033	1,265,323	2,363,356
Profit for the year				307,523	307,523
Other comprehensive income				176,000	176,000
At 31 May 2016	569,250	158,750	370,033	1,748,846	2,846,879
	======	======	======	======	======

COMPANY	Called up share capital	Share premium account	Profit and loss account	Total Shareholders' Equity
	£	**£**	**£**	**£**
At 1 June 2014	569,250	158,750	(182,772)	545,228
Profit for the year			6,672	6,672
At 31 May 2015	569,250	158,750	(176,100)	551,900
Profit for the year			59,215	59,215
At 31 May 2016	569,250	158,750	116,885	611,115
	======	======	======	======

The accompanying notes form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 May 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	993,231	1,045,893
Investment property	10	756,000	702,000
CURRENT ASSETS			
Stock – raw materials		19,117	39,117
Debtors	11	4,068,750	4,893,738
Cash at bank and in hand		1,512,874	1,321,116
		5,600,741	6,253,971
CREDITORS			
Amounts falling due within one year	12	4,416,980	5,308,365
NET CURRENT ASSETS		1,183,761	945,606
TOTAL ASSETS LESS CURRENT LIABILITIES		2,932,992	2,693,499
CREDITORS			
Amounts falling due after more than one year	12	50,713	62,143
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	7,400	(67,000)
Post-employment employee benefits	24	28,000	335,000
NET ASSETS		2,846,879	2,363,356
CAPITAL AND RESERVES			
Called up share capital	16	569,250	569,250
Share premium account	19	158,750	158,750
Other reserves	19	370,033	370,033
Profit and loss account	19	1,748,846	1,265,323
TOTAL SHAREHOLDERS' EQUITY		2,846,879	2,363,356

Approved by the board and signed on behalf of the board and authorised for issue on 31 October 2016 by:-

Bruce Smith..Director

Faith Lower…......................................Director

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 May 2016

	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	9	6,024	8,852
Investments in subsidiary undertakings	8	478,200	478,200
Investment property	10	1,650,000	1,530,000
		2,134,224	2,017,052
CURRENT ASSETS			
Debtors	11	231,064	332,830
Cash at bank and in hand		31,964	32,032
		263,028	364,862
CREDITORS			
Amounts falling due within one year	12	1,796,137	1,864,014
NET CURRENT ASSETS		(1,533,109)	(1,499,152)
TOTAL ASSETS LESS CURRENT LIABILITIES		601,115	517,900
Deferred taxation asset	14	10,000	34,000
NET ASSETS		611,115	551,900
		======	======
CAPITAL AND RESERVES			
Called up share capital	16	569,250	569,250
Share premium account	19	158,750	158,750
Profit and loss account	19	(116,885)	(176,100)
TOTAL SHAREHOLDERS' EQUITY		611,115	551,900
		======	======

The company has taken advantage of the exemption under Section 408 of the Companies Act 2006 not to present its own profit and loss account. The company's profit for the year was £59,215 (2015: £6,672).

Approved by the board and signed on behalf of the board and authorised for issue on 31 October 2016 by:-

Bruce Smith...Director

Faith Lower...Director

The accompanying notes form part of these financial statements.

Company number: 3626335

GROUP STATEMENT OF CASH FLOWS
for the year ended 31 May 2016

	2016	2015
	£	£
Operating profit	335,028	238,038
Depreciation	143,448	145,376
Pension service cost	11,000	15,000
Profit on sale of fixed assets	(9,745)	(8,582)
(Increase)/reduction in debtors	824,988	(2,137,913)
(Increase)/reduction in stock	20,000	(8,063)
Increase/(reduction) in creditors	(935,898)	2,248,035
Taxation paid	(12,469)	(38,715)
NET CASH INFLOW FROM OPERATING ACTIVITIES	376,352	453,176
INVESTING ACTIVITIES		
Interest received	375	362
Payments to acquire tangible fixed assets	(55,873)	(81,947)
Receipts from sales of fixed assets	34,897	8,582
Net cash outflow from investing activities	(20,601)	(73,003)
FINANCING ACTIVITIES		
Interest paid	(7,746)	(5,238)
Bank loans and overdrafts	-	100,000
Loan re-payments	(75,846)	(24,354)
Capital element of finance lease payments	(80,401)	(46,188)
Net cash (outflow)/inflow from financing activities	(163,993)	24,220
NET INCREASE IN CASH AND CASH EQUIVALENTS	191,758	404,393
Cash and cash equivalents at the beginning of the year	1,321,116	916,723
Cash and cash equivalents at the end of the year	1,512,874	1,321,116
	========	========

Cash and cash equivalents consist of:

Cash at bank and in hand	1,512,874	1,321,116
	========	========

PRINCIPAL ACCOUNTING POLICIES

GENERAL INFORMATION

Field Systems Designs Holdings PLC (‘the company’) is a public limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Spring Court Station Road, Dorking, RH4 1EB. The company’s functional currency is Pound Sterling, being the currency of the primary economic environment in which the company operates.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (“FRS 102”) and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention, except for investment properties which are stated at fair value.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company’s shareholders.

In preparing the company individual financial statements, the company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 Statement of Financial Position; and
- from presenting a statement of cash flows, as required by Section 7 Statement of Cash Flows.

On the basis that equivalent disclosures are given in the consolidated financial statements, the company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

The financial statements for the year ended 31 May 2016 are the groups’ and the company’s first financial statements that comply with FRS 102; the company’s date of transition to FRS 102 is 1 June 2014. Note 21 describes the impact on reported profit or loss and equity from transition to FRS 102.

The principal accounting policies of the group are set out below.

PRINCIPAL ACCOUNTING POLICIES

GOING CONCERN

The directors have considered cash flow forecasts to October 2017 for the purposes of assessing going concern, and have concluded that there are no material uncertainties regarding the group's ability to continue trading, the financial statements have been prepared on the going concern basis. These forecasts take into consideration expected revenues and expenditures from existing contracts as well as from new contracts anticipated to be secured by the group subsequent to the year end. On the basis that the forecasts show results consistent with performance to date, and given current banking facilities, the directors are of the opinion that the Group will have sufficient cash to fund its operations for a period of at least 12 months following the date of approval of the financial statements.

BASIS OF CONSOLIDATION

Transactions with subsidiary companies have been eliminated on consolidation in the group accounts. All financial statements are made up to the year ended 31 May 2016. The consolidated financial statements account for business combinations using acquisition accounting. Accordingly, the identifiable assets and liabilities of companies acquired are included in the consolidated balance sheet at their fair value at the date of acquisition.

OTHER INCOME

All rental income received or receivable in respect of property assets available for rental is accounted for on an accruals basis. Income from the rental of these assets is credited to operating expenses on a strict time-apportioned basis over the term of the relevant leases.

STOCK

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

TURNOVER

Turnover is the total amount receivable by the group for goods and services provided, excluding VAT and trade discounts. Turnover is recognised when the goods and services are provided or when the work is certified by the customer, as appropriate.

LONG TERM CONTRACTS

Revenue from long term contracts is assessed on a contract by contract basis. Turnover is ascertained in a manner appropriate to the stage of completion of each contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as amounts recoverable on contracts and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor.

Full provision is made for losses on all contracts in the year in which they are first foreseen. Where the outcome of long term contracts cannot be assessed with reasonable certainty before the conclusion of the contract the profit on the contract is recognised on completion.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets (except freehold land) at rates calculated to write each asset down to its estimated residual value evenly over its expected useful economic life, as follows:

Plant and machinery	over 3 to 5 years
Freehold buildings	over 50 years

INTANGIBLE ASSETS

On a case by case basis intangible fixed assets (including purchased goodwill) have been amortised over 2 years representing the rate calculated to write off the assets over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

INVESTMENTS

Shares in Group undertakings are stated at cost less any provision for impairment.

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount and the investment is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

INVESTMENT PROPERTY

Freehold buildings are classified as investment property when the property is held to earn rentals or for capital appreciation or both. Investment property is initially measured at cost which comprises purchase price and any directly attributable expenditure. Investment property is subsequently remeasured to fair value at each reporting date with changes in fair value recognised in profit or loss.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific investment property. If this information is not available, alternative valuation methods are used, such as recent prices on less active markets or discounted cash flow projections. Valuations may be performed by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations would then form the basis for the carrying values recognised in the financial statements. The directors also make use of recognised industry indices to estimate changes in valuation from one period to another.

RETIREMENT BENEFITS

Defined benefit scheme
Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group. The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Defined contribution scheme
Contributions to the group personal pension plan are charged to the profit and loss account as incurred.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

OPERATING AND FINANCE LEASES

Assets held under finance leases and hire purchase arrangements are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term. Rent received from the rental of investment properties as lessor is recognised on an accruals basis over the lease term.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the group becomes party to the contractual provisions of the financial instrument. The group holds only basic financial instruments, which comprise cash and cash equivalents, trade and other debtors and trade and other creditors. The group has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

Financial assets – classified as basic financial instruments
Cash and cash equivalents comprise cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.
Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest. At each reporting date, the group assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the financial asset. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments
Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.
Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.
Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

SHARE OPTIONS

The company currently operates both an approved share option scheme and an unapproved share option scheme. Charges and related disclosures have not been made as the amounts are immaterial and no options have been exercised in the year.

TAXATION

The tax expense comprises current and deferred tax. Tax currently payable, relating to corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, and that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction, or other event, that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts, and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

EMPLOYEE BENEFIT TRUST

The assets and liabilities of the Employee Benefit Trust (EBT) have been included in the group accounts. Any assets held by the EBT cease to be recognised on the group balance sheet when the assets vest unconditionally in identified beneficiaries.

The costs of purchasing own shares held by the EBT are shown as a deduction against shareholders' funds. The proceeds from the sale of own shares held increase shareholders' funds. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the group profit and loss account.

RESEARCH AND DEVELOPMENT

Research and development costs are directly attributable to specific research and development activities and are written off to the profit and loss account as they are incurred.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition on long term contracts

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue from provision of services, material supply and installation of electrical and mechanical equipment is recognised by reference to the stage of completion of the project involved. Stage of completion (percentage complete) is measured by reference to material, labour and subcontractor costs incurred to date as a percentage of total estimated costs for each contract (cost to complete). Revenue is assessed on a contract by contract basis and turnover and profit is taken according to the stage of completion of each contract and when the outcome of the contract can be assessed with reasonable certainty.

Group management exercise careful judgement in assessing the value of revenue taken on each project. This process of judgement is aided by the suite of financial and non-financial tools available to project managers and senior management in mitigating risk. These tools have been previously highlighted in the principal risks and uncertainties section of the strategic report.

The following are the Groups key sources of estimation uncertainty:

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Group may engage independent valuation specialists to provide advice to the directors on calculating fair value.

The valuer uses valuation techniques based on a number of factors; these include assessing property and integral plant condition, observing current demand based on market conditions and relevant local sales, together with discounted cash flows where there is a lack of comparable market sales data.

Fair value of the investment property is sensitive to the judgments exercised by the valuer and to its estimated yield, as well as potential long-term vacancy.

The key assumption used to determine the fair value of investment property by a valuer applying discounted cash flow techniques is the equivalent rental value (ERV) relating to the areas of office space which is then used to calculate the true equivalent investment yield of the property overall.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Revaluation of investment properties (continued)

The supportable estimated headline rental value (ERV) of the head office premises in Dorking has been used by the valuer to calculate an appropriate true equivalent investment yield for the property of 8%. This yield has then been capitalised to calculate the fair value of the property.

The valuation of the fabrication unit and office premises owned by the group in Halesowen has been assessed using local knowledge of property values and following enquiries made of other local agents.

The directors also make use of recognised industry indices to estimate changes in valuation from one period to another. It is assumed that the indices accurately reflect market movement in fair value of property, however these indices may relate to general market conditions in the United Kingdom, rather than specific regional locations.

Pension and other post-employment benefits

The cost and valuation of the defined benefit pension plan is determined using an independent actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future pension increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the discount rate on high quality corporate bonds of the appropriate term and currency to the pension scheme liabilities. The discount rate is set with reference to the yield at the appropriate term on the Merrill Lynch AA Corporate Bond yield curve. Future pension increases are based on expected future inflation rates using the Retail Prices Index (RPI) inflation assumption set with reference to the Bank of England implied inflation curve the and Consumer Prices Index (CPI) which historically has been lower than RPI inflation. Pension increases are paid in line with RPI inflation up to a maximum of 5% per annum. The pension increase assumption uses a standard financial model (Black-Scholes) which allows for the chosen inflation assumption, the relevant cap and assumed inflation volatility. The mortality rate is based on publicly available mortality tables. The base mortality table and future improvement model used are in line with those the trustees of the scheme adopted at the 2015 triannual actuarial valuation, namely the S2PA tables and the CMI_2014 model.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 May 2016

1. TURNOVER

The group's turnover was derived from its principal activities in the United Kingdom. The group operates within a number of key industries, being water, power, rail and transport. Disclosure of turnover by business segment has been made in the strategic report, but no additional disclosure of results and net assets has been made since, in the opinion of the directors, it would be seriously prejudicial to the group's competitiveness to do so.

2. OPERATING EXPENSES

	2016	2015
	£	£
Sales and marketing costs	194,640	212,537
Administrative expenses:		
- defined benefit pension cost	11,000	15,000
- other administrative expenses	631,880	621,681
	837,520	849,218
Other operating income	(46,831)	(46,831)
	790,689	802,387

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Interest receivable from cash at bank	375	362

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest payable on finance lease obligations	6,451	4,113
Interest payable on bank loans and overdrafts	1,295	1,125
Net interest payable on defined benefit pension scheme	10,000	10,000
	17,746	15,238

	2016 £	2015 £
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets - owned	91,758	112,068
Depreciation of tangible assets – held under finance lease obligations	51,690	33,308
Profit on sale of fixed assets	(9,745)	(8,582)
Fees payable for the group audit	2,200	2,200
Fees payable for the subsidiaries' audit	15,500	15,500
Fees payable for taxation compliance services	5,000	5,000
Expenditure on research and development	37,630	9,182
Impairment of slow moving stock	20,000	-
	======	======

6. EMPLOYEES

The average monthly number of persons employed by the group during the year was:	No.	No.
Operations	89	81
Administration and management	12	15
	101	96
	=====	=====

	2016 £	2015 £
Staff costs for the above persons:		
Wages and salaries	4,295,791	4,321,061
Social security costs	453,426	485,770
Other pension costs	531,222	341,632
	5,280,439	5,148,463
	=======	=======

6. EMPLOYEES (Continued)

The group operates a funded defined benefits pension scheme with contributions payable during the year amounting to £108,000 (2015: £108,000). The group also operates defined contribution personal pension plans, whose contributions amounted to £423,222 (2015: £234,261).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group. Those personnel are limited to the directors of the company, as follows:

	2016	**2015**
	£	**£**
DIRECTORS' REMUNERATION		
Emoluments for qualifying services	423,828	455,634
Contributions to defined contribution pension	86,588	79,230
	======	======
HIGHEST PAID DIRECTOR		
Emoluments for qualifying services	97,991	114,366
Contributions to defined contribution pension	19,198	18,216
	======	======

Retirement benefits accrued to 5 directors (2015: 5) under the defined contribution scheme and 4 directors under the defined benefit scheme (2015: 4).

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The directors' interests in the shares of the company were as follows:-

Ordinary shares of 10p each	31 May 2016	1 June 2015
D K Bird	-	-
P J Haines	873,332	873,332
D F Lower	873,332	873,332
B D Smith	703,336	703,336
M H Engler	100,000	100,000
R M Hunter	50,000	50,000
N Billings	50,000	50,000

The directors' interests in the company share option plan were as follows:

Ordinary shares of 10p	31 May 2016	1 June 2015
D K Bird	5,250	5,250
P J Haines	5,250	5,250
D F Lower	5,250	5,250
B D Smith	5,250	5,250
M H Engler	-	-
R M Hunter	5,250	5,250
N Billings	5,250	5,250

The directors were granted 31,500 options on 4 January 2000 under the unapproved company scheme mostly at a strike price of 10p per share which have been exercisable since 4 January 2003. No options have been exercised to date.

7. TAXATION

	2016 £	2015 £
Based on the profit of the year:		
UK Corporation tax at 20% (2015:20%)	50,000	29,000
Deferred tax at 20%	13,000	13,000
Prior year tax	(16,266)	14,450
	46,734	56,450
Deferred tax adjustments relating to post-employment employee benefits (note 24)	17,400	16,600
	64,134	73,050
	======	======
Factors affecting corporation tax charge for the year:-		
Profit on ordinary activities before tax	371,657	277,162
	======	======
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20% (2015: 20%)	74,000	55,500
Effects of:		
Origination and reversal of timing differences	(1,000)	(1,000)
Transactions not chargeable to tax	(10,000)	(12,500)
Prior year over-provision	(16,266)	14,450
Deferred tax adjustments relating to post-employment employee benefits (note 24)	17,400	16,600
	64,134	73,050
	======	======

8. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2016 £	2015 £
Cost and carrying value as at 31 May 2016	478,200	478,200
	======	======

At the reporting date the company had the following investments in subsidiary undertakings:

Undertaking	Country of incorporation	Class of shares held	Proportion held	Nature of business
Field Systems Designs Ltd	England	Ordinary	100%	Electrical contracting
FSD Electrical Services Ltd	England	Ordinary	100%	Electrical services
Tom Finney Services Ltd	England	Ordinary	100%	Electrical services
FSD Mech Ltd	England	Ordinary	100%	Mechanical services

9. TANGIBLE FIXED ASSETS

Group	Freehold Property	Plant and machinery	Total
Cost:	£	£	£
1 June 2015	911,543	910,551	1,822,094
Additions	-	115,738	115,738
Disposals	-	(86,147)	(86,147)
31 May 2016	911,543	940,142	1,851,685
1 June 2015	90,013	686,168	776,201
Charge in the year	18,242	125,206	143,448
Disposals	-	(61,195)	(61,195)
31 May 2016	108,255	750,199	858,454
Net book value:			
31 May 2016	803,288	189,943	993,231
31 May 2015	821,530	224,363	1,045,893

Included within plant and machinery are assets held under finance leases with a net book value of £124,656 (2015: £132,539). Depreciation charged in the year was £51,690 (2015: £33,308).

9. TANGIBLE FIXED ASSETS (Continued)

Company	**Plant and machinery**
Cost:	**£**
1 June 2015	179,552
Additions	1,800
31 May 2016	181,352
Depreciation:	
1 June 2015	170,700
Charge in the year	4,628
31 May 2016	175,328
Net book value: 31 May 2016	6,024
Net book value: 31 May 2015	8,852

10. INVESTMENT PROPERTY

Group	**Freehold Property £**
At fair value:	
1 June 2015	702,000
Revaluation	54,000
Fair value:	
31 May 2016	756,000
31 May 2015	702,000

Had the investment property been measured at historical cost then the amounts would be as follows:

	2016	**2015**
Cost:	**£**	**£**
31 May	786,622	786,622
Accumulated depreciation:		
31 May	107,486	91,735
Carrying value:		
31 May	679,136	694,887

Company	**Freehold Property £**
At fair value:	
1 June 2015	1,530,000
Revaluation	120,000
Fair value:	
31 May 2016	1,650,000
Fair value:	
31 May 2015	1,530,000

Had the investment property been measured at historical cost then the amounts would be as follows:

	2016	**2015**
Cost:	**£**	**£**
31 May	1,698,165	1,698,165
Accumulated depreciation:		
31 May	215,741	181,748
Carrying value:		
31 May	1,482,424	1,516,417

11. DEBTORS

	2016	2015
	£	£
Group		
Due within one year:		
Trade debtors	3,152,282	4,490,991
Amounts recoverable on contracts	717,357	182,631
Other debtors	59,974	22,959
Prepayments and accrued income	89,969	63,518
	4,019,582	4,760,099
Due after one year:		
Trade debtors	49,168	133,639
	4,068,750	4,893,738
Company		
Due within one year:		
Amount due from subsidiary undertakings	231,064	332,830
	231,064	332,830

Interest is receivable from subsidiary undertakings at an agreed annual rate based on the Bank of England base rate plus 2.5%, receivable monthly calculated on the previous month's closing balance.

12. CREDITORS

Amounts falling due within one year:

	2016	2015
Group		
Trade creditors	1,176,006	2,914,969
Bank loans and overdrafts	-	75,646
Payments received in advance	1,400,683	807,996
Corporation tax	50,000	28,735
Other taxation and social security costs	1,057,524	703,670
Other creditors	414,306	473,158
Accruals and deferred income	273,229	249,853
Obligations under finance leases	45,232	54,338
	4,416,980	5,308,365

The finance leases are secured on the fixed assets to which they relate.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 May 2016

12. CREDITORS (continued)	**2016**	**2015**
Amounts falling due within one year:	**£**	**£**
Company		
Amounts falling due within one year:		
Corporation tax	20,000	28,000
Other creditors	92,766	69,561
Amount due to subsidiary undertaking	1,683,371	1,766,453
	1,796,137	1,864,014
	=======	=======

Interest is payable by subsidiary undertakings at an agreed annual rate based on the Bank of England base rate plus 2.5%, payable monthly calculated on the previous month's closing balance.

CREDITORS
Amounts falling due after more than one year:

Group		
Obligations under finance leases	50,713	62,143
	=======	=======

13. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS	**2016**	**2015**
	£	**£**

The group uses finance leases and hire purchase contracts to acquire plant and machinery. These leases have purchase options but no other punitive clauses.

The future minimum lease payments due are as disclosed below:

Group		
Amounts payable		
- - within 1 year	50,684	60,818
- - in 2 and 5 years	56,518	70,160
	107,202	130,978
Finance charges allocated to future periods	11,257	14,497
	95,945	116,481
	=======	=======

13. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS (continued)

Operating lease arrangements where the group is lessee
Future minimum rentals payable under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Group		
Amounts payable		
- - within 1 year	25,760	19,160
- - in 2 and 5 years	36,240	13,840
	62,000	33,000

Operating lease arrangements where the group and parent company is lessor
The group holds surplus office buildings as investment properties, as disclosed in note 10 which are let to third parties. These non-cancellable leases were originally for terms between 5 and 10 years and have remaining terms of between 1 and 5 years. Leases include provisions for breaking the lease at 3 year increments and for upward rent reviews after 5 years.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Group and parent		
Amounts receivable		
- - within 1 year	35,875	46,831
- - in 2 and 5 years	112,200	120,025
- - In over 5 years	11,688	39,738
	159,763	206,594

14. PROVISIONS FOR LIABILITIES

Group	**Deferred Tax**			
	Recognised		**Not recognised**	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Accelerated capital allowances	23,000	21,000	-	-
Other timing differences	(4,000)	(4,000)	-	-
Arising on revaluation	(6,000)	(17,000)	-	-
	13,000	-	-	-
On post-employment employee benefits	(5,600)	(67,000)	-	-
	7,400	(67,000)	-	-

No significant deferred tax reversal is expected in the next reporting period.

14. PROVISIONS FOR LIABILITIES (Continued)

Company

	Deferred Tax			
	Recognised		**Not recognised**	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Arising on revaluation	10,000	34,000	-	-
	10,000	34,000	-	-
	======	======	======	======

No significant deferred tax reversal is expected in the next reporting period.

	2016	**2015**
Group deferred tax	**£**	**£**
1 June	(67,000)	(79,400)
Charged to profit and loss in the year		
- On trading income	13,000	13,000
- On post-employment employee benefits	17,400	16,600
Taken to statement of comprehensive income	44,000	(17,200)
31 May	7,400	(67,000)
	======	======

15. FINANCIAL INSTRUMENTS

Group	**2016**	**2015**
	£	**£**
Financial assets that are debt instruments measured at amortised cost	4,714,324	5,945,746
Financial liabilities measured at amortised cost	(1,271,951)	(3,031,450)
	3,442,373	2,914,296
	=======	=======
Company	**£**	**£**
Financial assets that are debt instruments measured at amortised cost	263,028	364,862
Financial liabilities measured at amortised cost	(1,683,371)	(1,766,453)
	(1,420,343)	(1,401,591)
	========	========

Financial Assets and Liabilities

Financial assets measured at amortised cost comprise of debtors and amounts owed by group undertakings. Financial liabilities measured at amortised cost comprise of trade debtors, amounts owed to group undertakings and finance leases.

The group uses financial instruments when required to provide a financing base for the group’s operations. The operating risks arising from financial instruments relate mainly to fluctuating interest rates, liquidity risk and on occasion foreign exchange risk.

15. FINANCIAL INSTRUMENTS (Continued)

Financial Risks and capital management
The group finances its operations through a mixture of share capital and reserves and has access to bank borrowings if required. The group currently has positive cash balances which are used to finance the group's working capital requirements. The group seeks to ensure continuity of funding and manage operational cash flows to produce sufficient liquidity to meet foreseeable needs.

Interest rate
The directors do not consider that the group is exposed to material interest rate risk. The group finances its operations through cash reserves. The cash reserves held by the group are with a major bank and have negated the need to use significant interest bearing short-term borrowings. The finance lease obligations have fixed interest rates.

Currency risk
The group conducted some transactions in foreign currencies during the year. The table below shows the extent to which group companies have monetary assets and liabilities in currencies other than their local currency. Foreign exchange differences on retranslation of the assets and liabilities are taken to the profit and loss account of the group.

	2016	**2015**
Group	**€**	**€**
Cash balances denominated in euros	3,421	47,390
	=====	======

Maturity
The group financial assets and liabilities are payable on demand except as disclosed below:

	2016	**2015**
Group	**£**	**£**
Trade debtors - due within 1 year	3,152,282	4,490,991
Trade debtors - due between 2 and 5 years	49,168	133,639
Obligations under finance leases		
- due within 1 year	45,232	54,338
Obligations under finance leases		
- due between 2 and 5 years	50,713	62,143

Finance leases are secured on plant and machinery over periods of 3 years at an interest rate of 4% flat.

Company		
Amounts due to subsidiary undertakings		
due after more than 5 years	1,683,371	1,766,453
	=======	=======

There are no material un-drawn committed borrowing facilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS
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16. SHARE CAPITAL

	2016	2015
	£	£
Authorised:		
50,000,000 ordinary shares of 10p each	5,000,000	5,000,000
	=======	=======
Allotted, issued and fully paid:		
5,692,500 ordinary shares of 10p each	569,250	569,250
	=======	=======

The company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

17. EARNINGS PER SHARE

The basic earnings per share disclosure on the face of the profit and loss account is calculated using the weighted average number of shares of 5,395,000 (2015: 5,395,000), being the ordinary shares in issue, less shares held by the Field Systems Designs Holdings plc Employee Benefit Trust. The diluted earnings per share disclosure on the face of the profit and loss account is calculated using the weighted average number of shares of 5,408,960 (2015: 5,413,823) taking into account the dilutive impact of the employee share options and the weighted average number of shares held by the Employee Benefit Trust.

18. SHARE BASED PAYMENTS

Employee benefit trust

There were 297,500 (5%) ordinary 10p shares held by the Field Systems Designs Holdings PLC Employee Benefit Trust as at 31 May 2016 and 31 May 2015 for the benefit of employees under current and proposed share option schemes.

Company share option plans

There are 89,250 (2015: 89,250) ordinary 10p shares held under option for employee share option schemes.

There have been no options granted, forfeited, exercised or expired during the year.

Qualifying staff were granted share options which entitle them to acquire shares at a pre-determined price. There are 89,250 options vested and exercisable under the approved and unapproved company schemes at prices ranging from 10p to 68p. The options expire when employees leave the employment of the group.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 May 2016

19. RESERVES

	2016	2015
	£	£
SHARE PREMIUM ACCOUNT		
Group & Company		
At 1 June 2015 and 31 May 2016	158,750	158,750
	======	=======

PROFIT & LOSS ACCOUNT

Group	2016	2015
	£	£
At 1 June	1,265,323	1,130,011
Profit for the year	307,523	204,112
Other recognised gains and losses	176,000	(68,800)
At 31 May	1,748,846	1,265,323
	=======	=======

OTHER RESERVES	2016	2015
	£	£
Merger reserve	408,033	408,033
Employee Benefit Trust	(38,000)	(38,000)
At 31 May	370,033	370,033
	=======	=======

PROFIT & LOSS ACCOUNT

Company	2016	2015
	£	£
At 1 June	(176,100)	(182,772)
Profit for the year	59,215	6,672
At 31 May	(116,885)	(176,100)
	======	=======

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS’ FUNDS

GROUP	2016	2015
	£	£
Opening shareholders’ funds	2,363,356	2,228,044
Total recognised gains and losses for the year	483,523	135,312
Closing shareholders’ funds	2,846,879	2,363,356
	=======	=======

21. FIRST TIME ADOPTION OF FRS102

GROUP	As previously stated **1 June 2014**	Effect of transition **1 June 2014**	FRS102 (as restated) **1 June 2014**	As previously stated **31 May 2015**	Effect of transition **31 May 2015**	FRS102 (as restated) **31 May 2015**
Fixed Assets	1,706,957	(62,638)		1,740,780	7,113	1,747,893
Current assets	3,703,617		3,703,617	6,253,971		6,253,971
Creditors: Amounts falling due within 1 year	2,842,353		2,842,353	5,308,365		5,308,365
Net current assets	861,264	-	861,264	945,606	-	945,606
Total assets less current liabilities	2,268,221	(62,638)	2,268,221	2,686,386	7,113	2,693,499
LT Creditors: > 1 year	24,939		24,939	62,143		62,143
Deferred tax	-	13,000	(13,000)	17,000	17,000	-
Pension obligations	265,600		265,600	268,000		268,000
NET ASSETS	2,277,682	(49,638)	2,228,044	2,339,243	24,113	2,363,356
	======	======	======	======	======	======
CAPITAL AND RESERVES						
Share capital	569,250		569,250	569,250		569,250
Share premium account	158,750		158,750	158,750		158,750
Other reserves	370,033		370,033	370,033		370,033
Profit and loss account	1,179,649	(49,638)	1,130,011	1,241,210	24,113	1,265,323
SHAREHOLDERS' FUNDS	2,277,682	(49,638)	2,228,044	2,339,243	24,113	2,363,356
	======	======	======	======	======	======

Freehold buildings are classified as investment property when the property is held to earn rentals or for capital appreciation or both under FRS102.
The company's date of transition to FRS 102 is 1 June 2014 and investment property was remeasured to fair value as at that date and then at each reporting date thereafter with changes in fair value recognised in profit or loss.

The effects of transition shown above reflect the fair value remeasurement as at the balance sheet dates together with the corresponding deferred tax liabilities.

21. FIRST TIME ADOPTION OF FRS102 (CONTINUED)

COMPANY	As previously stated	Effect of transition	FRS102 (as restated)	As previously stated	Effect of transition	FRS102 (as restated)
	1 June 2014	**1 June 2014**	**1 June 2014**	**31 May 2015**	**31 May 2015**	**31 May 2015**
Fixed Assets	1,573,108	(130,410)	1,442,698	1,525,269	13,583	1,538,852
Investments	478,185		478,185	478,200		478,200
Current assets	251,375		251,375	364,862		364,862
Creditors: Amounts falling due within one year	74,258		74,258	97,561		97,561
Net current assets	177,117		177,117	267,301		267,301
Total assets less current liabilities	2,228,410	(130,410)	2,098,000	2,270,770	13,583	2,284,353
LT Creditors: > one year	1,578,772		1,578,772	1,766,453		1,766,453
Deferred tax	-	26,000	(26,000)	-	34,000	(34,000)
NET ASSETS	649,638	(104,410)	545,228	504,317	47,583	551,900
CAPITAL AND RESERVES						
Share capital	569,250		569,250	569,250		569,250
Share premium account	158,750		158,750	158,750		158,750
Profit and loss account	(78,362)	(104,410)	(182,772)	(223,683)	47,583	(176,100)
SHAREHOLDERS' FUNDS	649,638	(104,410)	545,228	504,317	47,583	551,900

Freehold buildings are classified as investment property when the property is held to earn rentals or for capital appreciation or both under FRS102.
The company's date of transition to FRS 102 is 1 June 2014 and investment property was remeasured to fair value as at that date and then at each reporting date thereafter with changes in fair value recognised in profit or loss.

The effects of transition shown above reflect the fair value remeasurement as at the balance sheet dates together with the corresponding deferred tax liabilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS
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22. ULTIMATE CONTROLLING PARTY

The company is quoted on the ISDX Growth Market (previously known as the PLUS trading platform) and its shares are held by a number of independent investors and consequently there is no single controlling party.

23. CONTINGENT LIABILITIES

The group has arranged bonding facilities in respect of contract duration, performance and maintenance periods amounting to £1,183,415 at 31 May 2016 (2015:£ 720,304).

24. POST-EMPLOYMENT EMPLOYEE BENEFITS

	2016	**2015**
	£	**£**
Deficit at 1 June 2015	335,000	332,000
Current service cost	11,000	15,000
Contributions paid	(108,000)	(108,000)
Other finance costs	10,000	10,000
Actuarial (gain)/ loss	(220,000)	86,000
Gross deficit at 31 May 2016	28,000	335,000
	=======	======

A group subsidiary operates a funded pension scheme with defined benefits. Membership of the defined benefit scheme was offered to all permanent employees including executive directors until 31 March 1999 when it was closed to new entrants. The scheme was closed to future service accrual on 8 April 2002 when contributions ceased and liabilities for future service ceased to accrue.

The assets of the scheme are held separately from those of the company. Contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method to meet the cost of employees' future service benefits.

The group offers employees entry to defined contribution personal pension plans which are open to all eligible employees.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 May 2016

24. POST-EMPLOYMENT EMPLOYEE BENEFITS (continued)

Actuarial valuation

The last actuarial valuation for the fund was as at 31 March 2015 and the next valuation is due as at 31 March 2018.

The main findings of the actuarial valuation of the Scheme as at 31 March 2015 were that the Scheme was 91% funded on the assumptions used to calculate the technical provisions at 31 March 2015.

The assets were therefore £459,000 lower than the technical provisions at the valuation date. Over the period since the last valuation of the Scheme as at 31 March 2012 the funding level has improved. The main reason for this was higher than expected investment returns and contributions being paid by the company, although this was significantly offset by the change in market conditions increasing the value placed on the liabilities.

The actuarial valuation of the scheme's assets was £4,391,000 (2012: £3,374,000) which was 91% (2012: 87%) of the benefits that had accrued to members at the valuation date leaving a deficit of assets over past service liabilities amounting to £459,000 (2012: £514,000). Following consideration of the recommendations of the actuary, the board agreed to make additional contributions to the scheme of £59,000 per annum for 5 years, (previously £87,000 for 5 years) which are expected to reduce the deficit on the fund and to eliminate the shortfall by 31 March 2020.

The actual overall contribution payments made by the company total £108,000 per annum (2015: £108,000) in order to make provision for administration costs and the levies being charged by the Pension Protection Fund.

DEFINED BENEFIT PENSION COST

The scheme's funding position has improved from a deficit of £335,000 at the start of the year to a deficit of approximately £28,000 at the end of the year.

Overall, the assumptions used to value the liabilities as at 31 May 2016 have weakened compared to those used for the Scheme's 2015 year-end disclosures and have served to decrease the liabilities by £148,000. Other factors that have improved the funding position are Scheme experience being more favourable than assumed by £138,000 (as a result of lower benefit increases and heavier mortality experience than expected over the period) and further contributions paid by the Company of £108,000. This was slightly offset by the investment returns being lower than the interest on the Scheme's assets by £66,000.

24. POST-EMPLOYMENT EMPLOYEE BENEFITS (continued)

Valuation

The assumptions used to assess the liabilities of the company's defined benefit scheme as at 31 May 2016 were as follows:

Valuation Assumptions	**2016**	**2015**
Increase for pensions in payment	2.9%	3.1%
Discount rate	3.5%	3.5%
Inflation assumption	3.0%	3.2%
Mortality Assumptions		
Current pensioners at 65 - male	22.1	22.3
Current pensioners at 65 - female	24.2	24.6
Future pensioners at 65 - male	23.5	23.7
Future pensioners at 65 - female	25.7	26.1

Mortality

The above life expectancy assumptions for current pensioners are for a person reaching age 65 in 2016. For scheme members who have not reached pensionable age, the rates are adjusted to reflect changes in mortality rates that are expected to arise over the period to pensionable age. The above life expectancy assumptions for future pensioners are for those reaching age 65 in 20 years' time.

The post-retirement mortality assumptions used to value the benefit obligation at 31 May 2016 are based on the S2PA table with CMI_2014 projections on a year of birth basis, subject to a long-term rate of improvement of 1% per annum. This is changed from the assumptions used at 31 May 2015 which were based on the S1PA table with CMI_2011 projections on a year of birth basis, subject to a long-term rate of improvement of 1% per annum..

	2016	**2015**
Scheme assets were distributed as follows:		
Scheme Assets (£)		
Equities	2,503,000	2,519,000
Bonds	1,787,000	1,704,000
Other assets	158,000	135,000
	4,448,000	4,358,000

Scheme Assets	**2016**	**2015**
Equities	56%	58%
Bonds	40%	39%
Other assets	4%	3%

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 May 2016

24. POST-EMPLOYMENT EMPLOYEE BENEFITS (continued)

The funded status of the scheme as at 31 May 2016 was as follows:

Funded Status (£)	**2016**	**2015**	**2014**	**2012**	**2011**
Market value of assets	4,448,000	4,358,000	3,823,000	3,738,000	3,560,000
Scheme liabilities	4,476,000	4,693,000	4,155,000	4,046,000	3,779,000
Deficit in the scheme	(28,000)	(335,000)	(332,000)	(308,000)	(219,000)

Deferred tax movements were as follows:

Deferred tax asset (£)	**2016**	**2015**
Balance at 1 June 2015	67,000	66,400
Profit and loss charge	(17,400)	(16,600)
Taken to statement of comprehensive income	(44,000)	17,200
Balance at 31 May 2016	5,600	67,000

The amount recognised in the profit and loss account and in the statement of other comprehensive income is set out below:

Profit and loss account (£)	**2016**	**2015**
Current service cost	(11,000)	(15,000)
Net interest on defined benefit liability	(10,000)	(10,000)
	(21,000)	(25,000)

Other comprehensive income (OCI) (£)	**2016**	**2015**
Actual return on scheme assets	66,000	(364,000)
Actuarial gain/loss on liabilities	(286,000)	450,000)
	(220,000)	86,000