

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
SIMON CARVES ENGINEERING LIMITED

SIMON CARVES ENGINEERING LIMITED

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FOR THE YEAR ENDED 31 MARCH 2016

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SIMON CARVES ENGINEERING LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016

DIRECTORS:

A K Bhargava
A Malik

REGISTERED OFFICE:

Simon House
Atlas Park
Simonsway
Manchester
Lancashire
M22 5PR

REGISTERED NUMBER:

07596746 (England and Wales)

AUDITORS:

Henton & Co LLP
Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

SIMON CARVES ENGINEERING LIMITED

STRATEGIC REPORT **FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

Against a challenging and increasingly competitive market place the company continued to build on the sound trading platform it has established in previous years and generated a financial result for the twelve months trading ended 31st March 2016 which was in line with trading projections.

Against a challenging and increasingly competitive market place impacted by a fall in oil price the company continued to build on the solid trading platform it has established in previous years and generated a financial result for the twelve months trading ended 31st March 2016 which was in line with trading projections.

The Company recorded sales of £8,000,335 and a trading profit after tax of £272,701 respectively against sales of £10,236,579 and a trading profit after tax of £125,026 in previous financial year.

Key Highlights

- Repeat business from blue chip client base.
- Significant growth in new technologies and markets.
- Strong pipeline for new customers
- Establishment of UK client base

Outlook and Growth Plans

Simon Carves Engineering Limited provides comprehensive engineering services across the global process industry sector, with strong focus on petrochemicals, nuclear and renewables, including bio-fuel manufacture. Its expertise and growth lies in the following areas that provide a strong and sustainable pipeline of future investments:

- Polymers and Petrochemicals, predominantly LDPE with significant future growth forecast particularly in emerging markets for new build plants and significant opportunities for optimisation and de-bottlenecking of existing plants
- Chemicals - technology support to our parent to allow them to approach new opportunities in their local geographies.
- Focussed shift to Plant Engineering, providing general and specialist engineering services (modifications, upgrades, debottlenecking) to process plants, particularly in the UK and Europe.
- Renewables where the business works closely in the development of processes to support generation two and three technologies and this includes Waste to Energy which is viewed as a burgeoning market with strong growth predicted over the next five years.
- Nuclear, with focus on both the UK decommissioning market where strong growth is forecast over the next 3 years and nuclear new build where significant capital investment is forecast into the future.

The business's strategic plan is geared to optimisation within these chosen sectors through focus on its;

- People, recognising the need to attract, develop and retain highly skilled workforce is fundamental to the success of future business growth. We are developing the skills, capabilities and services necessary to meet the changing needs of our major customers.
- Cost Base Management with focus on driving the down non value added costs and improving productivity, and efficiencies, synergies with its parent company
- Organic growth and strategic partnerships focussed on gaining traction in new markets whilst growing core markets of Polymers and Chemicals through collaboration with existing Customers and the development of new business.
- Project Execution strategy aligned to the core principles of "on time, first time, and under budget".

Projects Under Execution

During the last twelve months of trading the company successfully and profitably completed engineering projects for clients in the UK, Thailand, KSA, USA, Europe North America and China.

SIMON CARVES ENGINEERING LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

PRINCIPAL RISKS AND UNCERTAINTIES

A number of the major risks and uncertainties facing the business are described below.

Contractual Risk

The company engages in major engineering design contracts, and is exposed to cost and reputation risk, if it fails to deliver projects on time, within budget and to specification. This risk is mitigated through the company's project risk management system. Contractual risks are identified and evaluated at the tendering stage before a binding bid is submitted and go through a tiered authorisation procedure which can be up to Board level, depending on the value of the contract. Each project is monitored continually throughout the project execution phase to enable any remedial actions to be identified at an early stage.

Health and Safety Risk

Health and safety in the office and on sites is of paramount importance to the company. The company employs specialist Health and Safety Managers to ensure that the company and clients' safety procedures are adhered to. This includes safety induction for all new employees and for employees who visit or work on sites. Monthly monitoring of the frequency of accidents is carried out in the form of the AAFR (All Accident Frequency Rate) and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (1995)). The company also receives regular audit by Lloyds Register Quality Assurance against safety standard OHSAS 18001, and has an excellent safety record. A meeting of the senior management meets on a quarterly basis to ensure that safety receives priority attention.

Geopolitical Risk

The company's business is international and there can be geopolitical risk. This can take several forms. There can be exposure for our employees working in certain countries. The company takes steps to mitigate this particular risk by employing the services of a specialist security company to provide local monitoring and back up services where appropriate.

Geopolitical risk can also result in credit risk exposure and wherever possible the company will seek to arrange insurance cover for overseas credit and political risk.

Currency Transaction Exposure

The international nature of the business creates currency risk exposure. The company manages this risk by taking out forward exchange contracts as appropriate, based on the best available currency cash flows at the time. The currency exposure will continually be monitored throughout the life of the contract.

Liquidity Risk

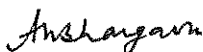
The Company aims to mitigate liquidity risk by managing cash generation of its operations and through implementation of collection policies. Projects are bid on a cash-positive basis, with advanced payment obtained from the client. Forecasting is done on a rolling 12-month basis, and should a requirement for cash be identified, advanced negotiation are held with bankers.

IT Failure

The company is dependent on IT systems. The company believes that its IT infrastructure is well protected and reliable, but the company recognises the wholesale failure of its systems would have serious consequences, and has a business continuity plan in place to mitigate any loss.

The company insures all major risks to protect itself from significant unforeseen events.

ON BEHALF OF THE BOARD:



.....
A K Bhargava - Director

Date: 25/4/16.....

SIMON CARVES ENGINEERING LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing comprehensive engineering services across the global process industry sector, focusing on petrochemicals, nuclear and renewables, including bio-fuel manufacture.

In 2015 the company commenced detailed works relating to the provision of a Design Package for an LDPE facility in the USA, with a further early works order due for assistance in plant commissioning. The future pipeline of secured and potential orders remains strong providing base workload into 2016/17.

The company is expecting to secure further engineering works in the polymer, nuclear, chemical and renewable sectors to be executed during the forthcoming 2016/17 financial year and build upon its successful re-entry into the UK market for the delivery of its engineering services.

The company also has Master Order Agreements in place with clients in the nuclear and polymers sectors which provide ongoing sustained workload.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

A K Bhargava
A Malik

PRINCIPAL RISKS

Currency Transaction Exposure

The international nature of the business creates currency risk exposure. The company manages this risk by taking out forward exchange contracts as appropriate, based on the best available currency cash flows at the time. The currency exposure will continually be monitored through the life of the contract

Liquidity Risk

The company aims to mitigate liquidity risk by managing cash generation of its operations and through implementation of collection policies. Projects are bid on a cash-positive basis, with advanced payment obtained from the client. Forecasting is done on a rolling 12-month basis and should a requirement for cash be identified, advance negotiations are held with bankers.

RESEARCH AND DEVELOPMENT

It is the company's policy to commit sufficient resources to enable it to keep abreast of all relevant product, process, market and systems developments in the fields in which it operates.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SIMON CARVES ENGINEERING LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

Akshaygann

.....
A K Bhargava - Director

Date: 25/4/16.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SIMON CARVES ENGINEERING LIMITED**

We have audited the financial statements of Simon Carves Engineering Limited for the year ended 31 March 2016 on pages seven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Henton & Co LLP

Pavanjeet Bagri BA ACA CTA (Senior Statutory Auditor)
for and on behalf of Henton & Co LLP
Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

Date:26/4/2016.....

Henton & Co LLP Chartered Accountants

SIMON CARVES ENGINEERING LIMITED**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	31.3.16 £	31.3.15 £
CONTINUING OPERATIONS			
Revenue		8,000,335	10,236,579
Cost of sales		(5,149,830)	(7,371,565)
GROSS PROFIT		2,850,505	2,865,014
Other operating income		(72,282)	(82,090)
Administrative expenses		(2,405,233)	(2,608,882)
OPERATING PROFIT		372,990	174,042
Finance costs	3	(10,604)	(12,336)
PROFIT BEFORE INCOME TAX	4	362,386	161,706
Income tax	5	(89,685)	(36,680)
PROFIT FOR THE YEAR		272,701	125,026

The notes form part of these financial statements

SIMON CARVES ENGINEERING LIMITED

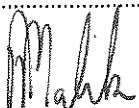
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	31.3.16	31.3.15
	£	£
PROFIT FOR THE YEAR	272,701	125,026
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>272,701</u>	<u>125,026</u>

SIMON CARVES ENGINEERING LIMITED (REGISTERED NUMBER: 07596746)**STATEMENT OF FINANCIAL POSITION
31 MARCH 2016**

	Notes	31.3.16 £	31.3.15 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	175,070	293,443
CURRENT ASSETS			
Trade and other receivables	8	2,193,830	2,635,369
Cash and cash equivalents	9	536,733	654,870
		<u>2,730,563</u>	<u>3,290,239</u>
TOTAL ASSETS		<u>2,905,633</u>	<u>3,583,682</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	99	99
Retained earnings	11	790,403	517,702
TOTAL EQUITY		<u>790,502</u>	<u>517,801</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	302,103
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	23,648	35,213
Deferred tax	15	6,438	13,089
		<u>30,086</u>	<u>350,405</u>
CURRENT LIABILITIES			
Trade and other payables	12	2,013,102	2,654,812
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	20,065	20,354
Tax payable		51,878	40,310
		<u>2,085,045</u>	<u>2,715,476</u>
TOTAL LIABILITIES		<u>2,115,131</u>	<u>3,065,881</u>
TOTAL EQUITY AND LIABILITIES		<u>2,905,633</u>	<u>3,583,682</u>

The financial statements were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:


.....
A Malik - Director


.....
A K Bhargava - Director

The notes form part of these financial statements

SIMON CARVES ENGINEERING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	99	392,676	392,775
Changes in equity			
Total comprehensive income	-	125,026	125,026
Balance at 31 March 2015	<u>99</u>	<u>517,702</u>	<u>517,801</u>
Changes in equity			
Total comprehensive income	-	272,701	272,701
Balance at 31 March 2016	<u>99</u>	<u>790,403</u>	<u>790,502</u>

The notes form part of these financial statements

SIMON CARVES ENGINEERING LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

		31.3.16 £	31.3.15 £
Cash flows from operating activities			
Cash generated from operations	1	136,829	581,213
Interest paid		(10,604)	(12,336)
Amounts owed by/to group undertakings		(136,714)	(123,612)
Tax paid		(84,768)	(19,864)
Net cash from operating activities		<u>(95,257)</u>	<u>425,401</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(901)	(56,007)
Net cash from investing activities		<u>(901)</u>	<u>(56,007)</u>
Cash flows from financing activities			
Capital repayments in year		(21,979)	4,804
Net cash from financing activities		<u>(21,979)</u>	<u>4,804</u>
(Decrease)/increase in cash and cash equivalents		<u>(118,137)</u>	<u>374,198</u>
Cash and cash equivalents at beginning of year	2	654,870	280,672
Cash and cash equivalents at end of year	2	<u><u>536,733</u></u>	<u><u>654,870</u></u>

The notes form part of these financial statements

SIMON CARVES ENGINEERING LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.3.16	31.3.15
	£	£
Profit before income tax	362,386	161,706
Depreciation charges	129,399	124,336
Finance costs	10,604	12,336
	<hr/>	<hr/>
	502,389	298,378
Decrease/(increase) in trade and other receivables	567,099	(152,570)
(Decrease)/increase in trade and other payables	(932,659)	435,405
	<hr/>	<hr/>
Cash generated from operations	136,829	581,213
	<hr/> <hr/>	<hr/> <hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	536,733	654,870
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31 March 2015

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	654,870	280,672
	<hr/> <hr/>	<hr/> <hr/>

SIMON CARVES ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Revenue includes the amounts of services provided during the financial period excluding VAT after adjusting for long term contract provisions as required by IAS 11.

Contract revenue associated with long term construction contracts is recognised as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognised unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other liabilities" in the financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- in accordance with the property
Fixtures and fittings	- at varying rates on cost

Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

SIMON CARVES ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Cost of sales

The company includes provisions in calculating cost of sales as required by AISHA.

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Accounting standards, interpretations and amendments not yet effective

The company does not apply IFRS's before their effective dates. The nature of the company's activities are such that the current reported results are unlikely to be affected by those IFRS's or amendments thereto, that have been published but not yet come into effect, neither is there anticipated to be any requirement for restatement in the future. The directors consider this to be true as some standards and interpretations are clearly not applicable to the company or are not expected to have a material effect.

The impact of new standards and interpretations which are effective for accounting periods beginning after 1 April 2015 are under review but the company does not currently expect any of the changes to have a material impact on the company's results or financial position.

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective:

IFRS 15 - Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018 with early application permitted. Entities can choose to apply the Standard retrospectively or to use a modified transition approach, which is to apply the Standard retrospectively only to contracts that are not completed contracts at the date of initial application (for example, 1 January 18 for an entity with a 31 December year-end).

2. EMPLOYEES AND DIRECTORS

	31.3.16	31.3.15
	£	£
Wages and salaries	2,992,895	3,470,454
Social security costs	343,452	390,325
Other pension costs	188,241	200,695
	<hr/> 3,524,588 <hr/>	<hr/> 4,061,474 <hr/>

SIMON CARVES ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016****2. EMPLOYEES AND DIRECTORS - continued**

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

	31.3.16	31.3.15
Engineers	52	59
Administrative	14	18
	<u>66</u>	<u>77</u>
	31.3.16	31.3.15
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

3. NET FINANCE COSTS

	31.3.16	31.3.15
	£	£
Finance costs:		
Bank interest	10,604	12,336
	<u>10,604</u>	<u>12,336</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	31.3.16	31.3.15
	£	£
Other operating leases	478,655	456,150
Depreciation - owned assets	106,881	105,801
Depreciation - assets on hire purchase contracts	22,518	18,536
Auditors' remuneration	9,000	9,000
Audit-related assurance services	12,126	10,327
Taxation compliance services	1,500	1,500
Foreign exchange differences	72,282	82,090
	<u>72,282</u>	<u>82,090</u>

5. INCOME TAX**Analysis of tax expense**

	31.3.16	31.3.15
	£	£
Current tax:		
Tax	96,336	40,297
Deferred tax	(6,651)	(3,617)
	<u>(6,651)</u>	<u>(3,617)</u>
Total tax expense in statement of profit or loss	<u>89,685</u>	<u>36,680</u>

SIMON CARVES ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016****5. INCOME TAX - continued****Factors affecting the tax expense**

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

	31.3.16	31.3.15
	£	£
Profit on ordinary activities before income tax	<u>362,386</u>	<u>161,706</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	72,477	33,958
Effects of:		
Expenses that are not deductible in determining taxable profit or loss	18,724	4,175
Effect of change in corporation tax rate on deferred tax provision	(6,438)	(1,453)
Under provision in prior year	<u>4,922</u>	<u>-</u>
Tax expense	<u>89,685</u>	<u>36,680</u>

6. REVENUE BY GEOGRAPHICAL REGION

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

	31.3.16	31.3.15
	£000's	£000's
South America	574	17
South Korea	-	200
USA	4,627	7,947
Canada	83	192
Asia	230	184
Europe	2	89
UK	2,329	1,517
Middle East	155	91
	<u>8,000</u>	<u>10,237</u>

SIMON CARVES ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

7. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2015	33,053	675,847	708,900
Additions	-	11,026	11,026
Disposals	-	(5,966)	(5,966)
At 31 March 2016	<u>33,053</u>	<u>680,907</u>	<u>713,960</u>
DEPRECIATION			
At 1 April 2015	24,241	391,216	415,457
Charge for year	6,612	122,787	129,399
Eliminated on disposal	-	(5,966)	(5,966)
At 31 March 2016	<u>30,853</u>	<u>508,037</u>	<u>538,890</u>
NET BOOK VALUE			
At 31 March 2016	<u>2,200</u>	<u>172,870</u>	<u>175,070</u>
	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2014	33,053	620,126	653,179
Additions	-	56,007	56,007
Disposals	-	(286)	(286)
At 31 March 2015	<u>33,053</u>	<u>675,847</u>	<u>708,900</u>
DEPRECIATION			
At 1 April 2014	17,629	273,777	291,406
Charge for year	6,612	117,725	124,337
Eliminated on disposal	-	(286)	(286)
At 31 March 2015	<u>24,241</u>	<u>391,216</u>	<u>415,457</u>
NET BOOK VALUE			
At 31 March 2015	<u>8,812</u>	<u>284,631</u>	<u>293,443</u>

The net book value of £175,067 above includes assets held on hire purchase contracts of £87,960 (2015: £100,354). Depreciation of £22,518 (2015: 18,536) has been charged on these assets. Additions in the year include £10,125 (2015: Nil) of fixtures and fittings under finance leases and hire purchase contracts. Leased assets and assets under hire purchase are pledged as security for the related finance lease and hire purchase liabilities.

8. TRADE AND OTHER RECEIVABLES

	31.3.16 £	31.3.15 £
Current:		
Trade receivables	1,263,132	1,952,474
Amounts owed by group undertakings	323,454	197,894
Other receivables	16,417	12,295
VAT	-	41,213
Prepayments and accrued income	590,827	431,493
	<u>2,193,830</u>	<u>2,635,369</u>

There are no trade receivables included at the current or previous balance sheet date which are overdue but not impaired.

SIMON CARVES ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

9. CASH AND CASH EQUIVALENTS

	31.3.16	31.3.15
	£	£
Cash in hand	2,240	1,061
Bank accounts	534,493	653,809
	<u>536,733</u>	<u>654,870</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.16	31.3.15
			£	£
99	Ordinary shares	£1	<u>99</u>	<u>99</u>

11. RESERVES

	Retained earnings
	£
At 1 April 2015	517,702
Profit for the year	272,701
At 31 March 2016	<u>790,403</u>

12. TRADE AND OTHER PAYABLES

	31.3.16	31.3.15
	£	£
Current:		
Trade payables	168,672	256,755
Amounts owed to group undertakings	1,040,848	1,052,002
Social security and other taxes	85,679	103,734
Accruals and deferred income	664,232	1,242,321
VAT	53,671	-
	<u>2,013,102</u>	<u>2,654,812</u>
Non-current:		
Other payables	<u>-</u>	<u>302,103</u>
Aggregate amounts	<u>2,013,102</u>	<u>2,956,915</u>

Non-current other payables comprise liabilities arising under the probable exercise of the break clause in the company's lease.

13. FINANCIAL LIABILITIES - BORROWINGS

	31.3.16	31.3.15
	£	£
Current:		
Hire purchase contracts (see note 14)	<u>20,065</u>	<u>20,354</u>
Non-current:		
Hire purchase contracts (see note 14)	<u>23,648</u>	<u>35,213</u>

SIMON CARVES ENGINEERING LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016****13. FINANCIAL LIABILITIES - BORROWINGS - continued**

Terms and debt repayment schedule

	1 year or less £	1-2 years £	Totals £
Hire purchase contracts	<u>20,065</u>	<u>23,648</u>	<u>43,713</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.3.16 £	31.3.15 £
Gross obligations repayable:		
Within one year	23,937	24,134
Between one and five years	<u>29,823</u>	<u>43,523</u>
	<u>53,760</u>	<u>67,657</u>
Finance charges repayable:		
Within one year	3,872	3,780
Between one and five years	<u>6,175</u>	<u>8,310</u>
	<u>10,047</u>	<u>12,090</u>
Net obligations repayable:		
Within one year	20,065	20,354
Between one and five years	<u>23,648</u>	<u>35,213</u>
	<u>43,713</u>	<u>55,567</u>

Non-cancellable operating leases

	31.3.16 £	31.3.15 £
Within one year	402,804	-
Between one and five years	-	409,425
	<u>402,804</u>	<u>409,425</u>

15. DEFERRED TAX

	31.3.16 £	31.3.15 £
Balance at 1 April	13,089	16,706
Tax allowances in excess of depreciation	<u>(6,651)</u>	<u>(3,617)</u>
Balance at 31 March	<u>6,438</u>	<u>13,089</u>

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Punj Lloyd Limited a company incorporated and registered in Gurgaon, India. Copies of the accounts of Punj Lloyd may be obtained at Corporate I, 78 Institutional Area, Sector 32, Gurgaon, 122 001, India or at their website www.punjllloyd.com.

The immediate parent company is PL Engineering Limited a company incorporated in India.

SIMON CARVES ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2016

17. RELATED PARTY DISCLOSURES

Amounts owed to other group companies at 31 March 2016 are:

	2016 £	2015 £
PL Engineering Limited	1,040,845	1,190,744

Amounts owed from other group companies at 31 March 2016 are:

	2016 £	2015 £
Punj Lloyd Limited	133,260	59,114
PL Engineering Limited	130,475	92,211
Punj Lloyd Engineering Pte Limited - Abu Dhabi	28,210	28,210
Punj Lloyd Engineering Pte Limited - Singapore	18,360	18,360
Punj Lloyd India	13,149	-

During the period goods and services were bought from the following group companies:

	2016 £	2015 £
PL Engineering Limited	1,115,748	1,051,631

During the period goods and services were sold to the following group companies:

	2016 £	2015 £
PL Engineering Limited	38,264	62,458
Punj Lloyd Limited	10,512	165,423

PL Engineering are guarantors of the company's payments in respect of leasehold premises.

18. ULTIMATE CONTROLLING PARTY

Due to the shareholdings in the ultimate holding company there is no ultimate controlling party of Simon Carves Engineering Limited.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES

Currency Transaction Exposure

The international nature of the business creates currency risk exposure. The company manages this risk by taking out forward exchange contracts as appropriate, based on the best available currency cash flows at the time. The currency exposure will continually be monitored through the life of the contract

Liquidity Risk

The company aims to mitigate liquidity risk by managing cash generation of its operations and through implementation of collection policies. Projects are bid on a cash-positive basis, with advanced payment obtained from the client. Forecasting is done on a rolling 12-month basis and should a requirement for cash be identified, advance negotiations are held with bankers.