

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**  
**FOR**  
**SIMON CARVES ENGINEERING LIMITED**

**SIMON CARVES ENGINEERING LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2015**

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**SIMON CARVES ENGINEERING LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**DIRECTORS:**

A K Bhargava  
A Malik

**REGISTERED OFFICE:**

Simon House  
Atlas Park  
Simonsway  
Manchester  
Lancashire  
M22 5PR

**REGISTERED NUMBER:**

07596746 (England and Wales)

**AUDITOR:**

Rawlinsons, Statutory Auditor  
Regus House  
1200 Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZA

## **SIMON CARVES ENGINEERING LIMITED**

### **STRATEGIC REPORT** **FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their strategic report for the year ended 31 March 2015.

#### **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 2015 which was in line with trading projections.

The Company recorded sales of £10,236,579 and a trading profit after tax of £125,026 respectively against sales of £10,532,587 and a trading profit after tax of £45,181 in the previous financial year.

#### Key Highlights

- Repeat business from blue chip client base.
- Significant growth opportunities in new and existing markets.
- Strong pipeline for new customers with work secured in all four key sectors

#### 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.
- 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, Korea, Australia, Europe North America and China.

## **SIMON CARVES ENGINEERING LIMITED**

### **STRATEGIC REPORT** **FOR THE YEAR ENDED 31 MARCH 2015**

#### **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 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

22 April 2015

## **SIMON CARVES ENGINEERING LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

#### **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 2014 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 design order being completed for a further facility in the USA. The future pipeline of secured and potential orders remains strong providing base workload into 2015/16.

The company is expecting to secure further engineering works in the polymer, nuclear, chemical and renewable sectors to be executed during the forthcoming 2015/16 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 2015.

#### **DIRECTORS**

A K Bhargava has held office during the whole of the period from 1 April 2014 to the date of this report.

Other changes in directors holding office are as follows:

S Goel - resigned 30 October 2014

A Malik - appointed 27 November 2014

#### **FINANCIAL INSTRUMENTS**

##### **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 2015**

**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 auditor is 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 auditor is aware of that information.

**ON BEHALF OF THE BOARD:**

A K Bhargava - Director

22 April 2015

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

I have audited the financial statements of Simon Carves Engineering Limited for the year ended 31 March 2015 on pages seven to nineteen. 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

**Respective responsibilities of directors and auditor**

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. My 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 me 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, I 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

**Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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 my 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 I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.

Richard Hayter FCA (Senior Statutory Auditor)  
for and on behalf of Rawlinsons, Statutory Auditor  
Regus House  
1200 Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZA

22 April 2015

Rawlinsons



**SIMON CARVES ENGINEERING LIMITED****STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>CONTINUING OPERATIONS</b>			
Revenue		10,236,579	10,532,587
Cost of sales		<u>(7,371,565)</u>	<u>(7,355,802)</u>
<b>GROSS PROFIT</b>		<b>2,865,014</b>	<b>3,176,785</b>
Other operating income		(82,090)	(211,228)
Administrative expenses		<u>(2,608,882)</u>	<u>(2,886,981)</u>
<b>OPERATING PROFIT</b>		<b>174,042</b>	<b>78,576</b>
Finance costs	3	<u>(12,336)</u>	<u>(14,943)</u>
<b>PROFIT BEFORE INCOME TAX</b>	4	<b>161,706</b>	<b>63,633</b>
Income tax	5	<u>(36,680)</u>	<u>(18,452)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>125,026</u></b>	<b><u>45,181</u></b>

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 2015**

	31.3.15 £	31.3.14 £
PROFIT FOR THE YEAR	125,026	45,181
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>125,026</u>	<u>45,181</u>

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION**

**31 MARCH 2015**

	Notes	31.3.15 £	31.3.14 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>293,443</u>	<u>361,773</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	2,635,369	2,412,428
Cash and cash equivalents	9	<u>654,870</u>	<u>280,672</u>
		<u>3,290,239</u>	<u>2,693,100</u>
<b>TOTAL ASSETS</b>		<u><u>3,583,682</u></u>	<u><u>3,054,873</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	99	99
Retained earnings	11	<u>517,702</u>	<u>392,676</u>
<b>TOTAL EQUITY</b>		<u>517,801</u>	<u>392,775</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12	302,103	302,103
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	35,213	25,139
Deferred tax	15	<u>13,089</u>	<u>16,706</u>
		<u>350,405</u>	<u>343,948</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,654,812	2,272,649
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	20,354	25,624
Tax payable		<u>40,310</u>	<u>19,877</u>
		<u>2,715,476</u>	<u>2,318,150</u>
<b>TOTAL LIABILITIES</b>		<u>3,065,881</u>	<u>2,662,098</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,583,682</u></u>	<u><u>3,054,873</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 April 2015 and were signed on its behalf by:

A Malik - Director

A K Bhargava - Director

**SIMON CARVES ENGINEERING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2013</b>	99	347,495	347,594
<b>Changes in equity</b>			
Total comprehensive income	-	45,181	45,181
<b>Balance at 31 March 2014</b>	99	392,676	392,775
<b>Changes in equity</b>			
Total comprehensive income	-	125,026	125,026
<b>Balance at 31 March 2015</b>	99	517,702	517,801

The notes form part of these financial statements

**SIMON CARVES ENGINEERING LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

		<b>31.3.15</b>	31.3.14
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>581,213</b>	(106,294)
Interest paid		<b>(12,336)</b>	(14,943)
Amounts owed by/to group undertakings		<b>(123,612)</b>	239,738
Tax paid		<b>(19,864)</b>	(106,363)
Net cash from operating activities		<b>425,401</b>	12,138
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(56,007)</b>	(45,436)
Net cash from investing activities		<b>(56,007)</b>	(45,436)
<b>Cash flows from financing activities</b>			
Capital repayments in year		<b>4,804</b>	18,435
Net cash from financing activities		<b>4,804</b>	18,435
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>374,198</b>	(14,863)
<b>Cash and cash equivalents at beginning of year</b>	2	<b>280,672</b>	295,535
<b>Cash and cash equivalents at end of year</b>	2	<b>654,870</b>	280,672

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 2015**

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

	<b>31.3.15</b>	31.3.14
	<b>£</b>	£
Profit before income tax	<b>161,706</b>	63,633
Depreciation charges	<b>124,336</b>	114,183
Finance costs	<b>12,336</b>	14,943
	<b>298,378</b>	192,759
(Increase)/decrease in trade and other receivables	<b>(152,570)</b>	196,360
Increase/(decrease) in trade and other payables	<b>435,405</b>	(495,413)
<b>Cash generated from operations</b>	<b>581,213</b>	(106,294)

**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 2015**

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

**Year ended 31 March 2014**

	31.3.14	1.4.13
	£	£
Cash and cash equivalents	280,672	295,535

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**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.

**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 taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

**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 IAS11.

**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 2014 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.

**SIMON CARVES ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**2. EMPLOYEES AND DIRECTORS**

	<b>31.3.15</b>	31.3.14
	£	£
Wages and salaries	<b>3,470,454</b>	3,845,347
Social security costs	<b>390,325</b>	447,537
Other pension costs	<b>200,695</b>	231,470
	<u><b>4,061,474</b></u>	<u>4,524,354</u>

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

	<b>31.3.15</b>	31.3.14
Engineers	<b>59</b>	62
Administrative	<b>18</b>	21
	<u><b>77</b></u>	<u>83</u>

	<b>31.3.15</b>	31.3.14
	£	£
Directors' remuneration	<b>-</b>	-
	<u><b>-</b></u>	<u>-</u>

**3. NET FINANCE COSTS**

	<b>31.3.15</b>	31.3.14
	£	£
Finance costs:		
Bank interest	<b>12,336</b>	14,943
	<u><b>12,336</b></u>	<u>14,943</u>

**4. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging:

	<b>31.3.15</b>	31.3.14
	£	£
Other operating leases	<b>456,150</b>	475,324
Depreciation - owned assets	<b>105,801</b>	103,040
Depreciation - assets on hire purchase contracts	<b>18,536</b>	11,143
Auditors' remuneration	<b>9,000</b>	10,500
Audit-related assurance services	<b>10,327</b>	12,260
Taxation compliance services	<b>1,500</b>	1,500
Other non- audit services	<b>-</b>	3,380
Foreign exchange differences	<b>82,090</b>	211,228
	<u><b>82,090</b></u>	<u>211,228</u>

**5. INCOME TAX**

**Analysis of tax expense**

	<b>31.3.15</b>	31.3.14
	£	£
Current tax:		
Tax	<b>40,297</b>	19,877
Deferred tax	<b>(3,617)</b>	(1,425)
Total tax expense in statement of profit or loss	<u><b>36,680</b></u>	<u>18,452</u>



**SIMON CARVES ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**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:

	<b>31.3.15</b>	31.3.14
	<b>£</b>	<b>£</b>
Profit on ordinary activities before income tax	<b>161,706</b>	63,633
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	<b>33,958</b>	14,636
Effects of:		
tax in previous year.		
tax in previous year		
Expenses that are not deductible in determining taxable profit or loss	<b>4,175</b>	4,571
Effect of change in corporation tax rate on deferred tax provision	<b>(1,453)</b>	(755)
Tax expense	<b>36,680</b>	18,452

**6. REVENUE BY GEOGRAPHICAL REGION**

	31.3.15	31.3.14
	£000's	£000's
South Korea	200	304
USA	7,947	8,361
China	8	1,013
Canada	192	76
Asia	176	227
Europe	89	150
UK	1,517	401
Middle East	91	-
Brazil	17	-
	-----	-----
	10,237	10,532
	=====	=====

**7. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2014	33,053	620,126	653,179
Additions	-	56,007	56,007
Disposals	-	(286)	(286)
At 31 March 2015	33,053	675,847	708,900
<b>DEPRECIATION</b>			
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	24,241	391,216	415,457
<b>NET BOOK VALUE</b>			
At 31 March 2015	8,812	284,631	293,443

**SIMON CARVES ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**7. PROPERTY, PLANT AND EQUIPMENT - continued**

	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2013	33,053	574,690	607,743
Additions	-	45,436	45,436
	<hr/>	<hr/>	<hr/>
At 31 March 2014	33,053	620,126	653,179
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 April 2013	11,019	166,204	177,223
Charge for year	6,610	107,573	114,183
	<hr/>	<hr/>	<hr/>
At 31 March 2014	17,629	273,777	291,406
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2014	15,424	346,349	361,773
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The net book value of £293,443 above includes assets held on hire purchase contracts of £100,354 (2014: £85,599). Depreciation of £18,536 (2014: £11,143) has been charged on these assets.

**8. TRADE AND OTHER RECEIVABLES**

	31.3.15 £	31.3.14 £
Current:		
Trade receivables	1,952,474	1,959,260
Amounts owed by group undertakings	197,894	127,523
Other receivables	12,295	9,229
VAT	41,213	97,788
Prepayments and accrued income	431,493	218,628
	<hr/>	<hr/>
	2,635,369	2,412,428
	<hr/> <hr/>	<hr/> <hr/>

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

**9. CASH AND CASH EQUIVALENTS**

	31.3.15 £	31.3.14 £
Cash in hand	1,061	1,112
Bank accounts	653,809	279,560
	<hr/>	<hr/>
	654,870	280,672
	<hr/> <hr/>	<hr/> <hr/>

**10. CALLED UP SHARE CAPITAL**

Number:	Class:	Nominal value: £1	31.3.15 £	31.3.14 £
99	Ordinary shares		99	99
			<hr/> <hr/>	<hr/> <hr/>

**SIMON CARVES ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**11. RESERVES**

	<b>Retained earnings £</b>
At 1 April 2014	<b>392,676</b>
Profit for the year	<b>125,026</b>
	<hr/>
At 31 March 2015	<b>517,702</b>
	<hr/> <hr/>

**12. TRADE AND OTHER PAYABLES**

	<b>31.3.15 £</b>	<b>31.3.14 £</b>
Current:		
Trade payables	<b>256,755</b>	357,979
Amounts owed to group undertakings	<b>1,052,002</b>	1,105,244
Social security and other taxes	<b>103,734</b>	123,815
Other creditors	-	4,341
Accruals and deferred income	<b>1,242,321</b>	681,270
	<hr/>	<hr/>
	<b>2,654,812</b>	2,272,649
	<hr/> <hr/>	<hr/> <hr/>
Non-current:		
Other payables	<b>302,103</b>	302,103
	<hr/> <hr/>	<hr/> <hr/>
Aggregate amounts	<b>2,956,915</b>	2,574,752
	<hr/> <hr/>	<hr/> <hr/>

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

**13. FINANCIAL LIABILITIES - BORROWINGS**

	<b>31.3.15 £</b>	<b>31.3.14 £</b>	
Current:			
Hire purchase contracts (see note 14)	<b>20,354</b>	25,624	
	<hr/>	<hr/>	
Non-current:			
Hire purchase contracts (see note 14)	<b>35,213</b>	25,139	
	<hr/>	<hr/>	
Terms and debt repayment schedule			
	<b>1 year or less £</b>	<b>1-2 years £</b>	<b>Totals £</b>
Hire purchase contracts	<b>20,354</b>	<b>35,213</b>	<b>55,567</b>
	<hr/>	<hr/>	<hr/>

**SIMON CARVES ENGINEERING LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015****14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>31.3.15</b>	<b>31.3.14</b>
	<b>£</b>	<b>£</b>
Gross obligations repayable:		
Within one year	<b>24,134</b>	30,678
Between one and five years	<b>43,523</b>	28,631
	<u><b>67,657</b></u>	<u>59,309</u>
 Finance charges repayable:		
Within one year	<b>3,780</b>	5,054
Between one and five years	<b>8,310</b>	3,492
	<u><b>12,090</b></u>	<u>8,546</u>
 Net obligations repayable:		
Within one year	<b>20,354</b>	25,624
Between one and five years	<b>35,213</b>	25,139
	<u><b>55,567</b></u>	<u>50,763</u>
 <b>Non-cancellable operating leases</b>		
	<b>31.3.15</b>	<b>31.3.14</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b>409,425</b>	409,425
	<u><b>409,425</b></u>	<u>409,425</u>

**15. DEFERRED TAX**

	<b>31.3.15</b>	<b>31.3.14</b>
	<b>£</b>	<b>£</b>
Balance at 1 April	<b>16,706</b>	18,131
Tax allowances in excess of depreciation	<b>(3,617)</b>	(1,425)
Balance at 31 March	<u><b>13,089</b></u>	<u>16,706</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](http://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 2015**

**17. RELATED PARTY DISCLOSURES**

Amounts owed to other group companies at 31 March 2015 are:

	2015 £	2014 £
PL Engineering Limited	1,190,744	1,105,254

Amounts owed from other group companies at 31 March 2015 are:

	2015 £	2014 £
Punj Lloyd Limited	59,114	51,204
PL Engineering Limited	92,211	29,751
Punj Lloyd Engineering Pte Limited - Abu Dhabi	28,210	28,210
Punj Lloyd Engineering Pte Limited - Singapore	18,360	18,360

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

	2015 £	2014 £
PL Engineering Limited	1,051,631	1,610,930

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

	2015 £	2014 £
PL Engineering Limited	62,458	29,753
Punj Lloyd Limited	165,423	120,753

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.

**SIMON CARVES ENGINEERING LIMITED****INCOME STATEMENT SUMMARIES  
FOR THE YEAR ENDED 31 MARCH 2015**

	31.3.15 £	31.3.14 £
<b>REVENUE</b>		
Sales	10,236,579	10,532,587
	<u>10,236,579</u>	<u>10,532,587</u>
 <b>COST OF SALES</b>		
Purchases	7,371,565	7,355,802
	<u>7,371,565</u>	<u>7,355,802</u>
 <b>OTHER OPERATING INCOME</b>		
Exchange gains	(82,090)	(211,228)
	<u>(82,090)</u>	<u>(211,228)</u>
 <b>ADMINISTRATIVE EXPENSES</b>		
<b>Establishment costs</b>		
Wages	3,470,454	3,845,347
Social Security	390,325	447,537
Pensions	200,695	231,470
Staff indirect costs	99,666	92,602
Agency costs	2,175,416	2,382,229
Timesheet credits	(6,746,298)	(7,990,005)
Timesheet overheads	1,285,194	1,527,599
Insurance	267,486	251,676
Light and heat	96,168	127,974
Maintenance	59,085	57,868
<b>Administrative expenses</b>		
Rent and rates	456,150	475,324
Telephone	43,324	12,987
Printing and stationery	13,329	17,246
Publicity	2,436	16,469
Travelling	51,191	79,795
Motor expenses	10,272	9,889
Computer costs	184,029	178,832
Sundry expenses	-	381
Legal fees	46,980	123,091
Auditors' remuneration	9,000	10,500
Auditors' remuneration for non audit work	11,827	17,140
Depreciation of tangible fixed assets		
Short leasehold	6,610	6,610
<b>Initial contract costs</b>		
Bidding costs	296,132	726,535
Internal projects	57,209	126,062
<b>Finance costs</b>		
Bank charges	4,476	4,250
<b>Depreciation</b>		
Fixtures and fittings	117,726	107,573
	<u>2,608,882</u>	<u>2,886,981</u>
 <b>FINANCE COSTS</b>		
Bank interest	12,336	14,943
	<u>12,336</u>	<u>14,943</u>

This page does not form part of the statutory financial statements