

**Simco (Engineers) Limited**

Abbreviated accounts  
Registered number 1149441  
31 March 2016

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**KPMG LLP**

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX  
United Kingdom

**Independent auditor's report to Simco (Engineers) Limited under section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 2 to 7 together with the financial statements of Simco (Engineers) Limited for the year ended 31 March 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 *The special auditor's report on abbreviated accounts in the United Kingdom* issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 (3) of the Companies Act 2006 and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

**Mick Thompson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

30 September 2016

**Balance Sheet**  
*at 31 March 2016*

	<i>Note</i>	<b>2016</b>	<b>2015</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	2	133,642	140,055
Investments	3	2	2
		<hr/>	<hr/>
		133,644	140,057
<b>Current assets</b>			
Stocks		424,697	467,946
Debtors		303,094	239,833
Cash at bank and in hand		3,010,983	2,699,983
		<hr/>	<hr/>
		3,738,774	3,407,762
<b>Creditors: amounts falling due within one year</b>		<b>(315,835)</b>	<b>(256,236)</b>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>3,422,939</b>	<b>3,151,526</b>
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>3,556,583</b>	<b>3,291,583</b>
		<hr/>	<hr/>
<b>Provisions for liabilities</b>	4	<b>(7,901)</b>	<b>(6,627)</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>3,548,682</b>	<b>3,284,956</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	5	9,000	9,000
Capital redemption reserve		9,000	9,000
Profit and loss account		3,530,682	3,266,956
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>3,548,682</b>	<b>3,284,956</b>
		<hr/>	<hr/>

These abbreviated accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small company regime.

These financial statements were approved by the board of directors on 26/9 2016 and were signed on its behalf by:

K. Heyhurst

**K Heyhurst**  
*Director*

*Company registered number: 1149441*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Simco (Engineers) Limited is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition and accounting estimates.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The Company has cash at bank and in hand of £3,010,983 at the end of the year and has no external debt. The Company has a large number of customers throughout various sectors of the petrochemical industry and in different geographical markets.

The Company meets its day to day working capital requirements through its positive cash balances and cash generated from operating activities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within its existing cash resources and is well placed to manage its business risks.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

## Notes (continued)

### 1 Accounting policies (continued)

- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.5 Basic financial instruments

##### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Long leasehold property	-	50 years
Plant, machinery and tools	-	5 to 10 years
Office furniture and equipment	-	5 to 7 years
Motor vehicles	-	4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### 1.8 Employee benefits

##### *Defined contribution plans*

The Company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Company, in an independent administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### 1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.10 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. The Company recognises revenue at the point of dispatch of goods and for services when they have been provided.

#### 1.11 Expenses

##### *Interest receivable and Interest payable*

Interest payable and similar charges includes interest payable on loans from directors.

Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### 1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.12 Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 2 Tangible fixed assets

	<b>Total £</b>
<i>Cost</i>	
At beginning of year	1,260,717
Additions	5,782
Disposals	(133,711)
	<hr/>
At end of year	1,132,788
	<hr/>
<i>Depreciation</i>	
At beginning of year	1,120,662
Charge for year	12,195
Disposals	(133,711)
	<hr/>
At end of year	999,146
	<hr/>
<i>Net book value</i>	
At 31 March 2016	133,642
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At 31 March 2015	140,055
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## Notes (continued)

### 3 Fixed asset investments

#### *Subsidiary undertaking*

Simco (Engineers) Limited owns 100% of the issued share capital of Simco Supply Co. Limited, a dormant company, with an accounting reference date of 31 March. At the beginning and end of the year the net assets of Simco Supply Co. Limited comprised £2 representing amounts owed by Simco (Engineers) Limited. The net assets of £2 are represented by allotted, called up and fully paid ordinary £1 shares. Simco Supply Co. Limited is incorporated in the UK.

### 4 Provisions for liabilities

	Deferred taxation £
At beginning of year	6,627
Charge to the profit and loss account for the year	1,274
	<hr/>
Deferred tax liability at end of year	7,901
	<hr/>

The elements of the deferred taxation liability are as follows:

	2016 £	2015 £
Difference between accumulated depreciation and capital allowances	7,901	6,627
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### 5 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i> 9,000 Ordinary shares of £1 each	9,000	9,000
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### 6 Contingent liabilities

In the normal course of business the Company has entered into guarantees, performance bonds and minor miscellaneous items. Whilst the outcome of some of these matters cannot precisely be foreseen, the directors do not expect any of these arrangements, after allowing for provisions already made, to result in significant loss to the Company.

### 7 Related party disclosures

The Company is ultimately controlled by Mr HD Imrie.

During the year, Mr HD Imrie, also a director of the Company, advanced funds to the Company. Interest of £13,491 (2015: £12,426) was charged at 3.5% above base rate on these amounts. The Company also paid certain expenses on behalf of Mr HD Imrie and at the year end £240 (2015: £278) was due by the Company to Mr HD Imrie.

The maximum amount advanced by Mr HD Imrie at any point during the year was £456,508 (2015: £370,887).