

Professional Engineering Projects Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



Company Registration No. 01103638 (England and Wales)

Professional Engineering Projects Limited

Company Information

Directors	R Folkson N Wallbridge S Fox C Brown	(Appointed 16 July 2018)
Secretary	S Fox	
Company number	01103638	
Registered office	1 Birdcage Walk London SW1H 9JJ	
Auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH	
Business address	1 Birdcage Walk London SW1H 9JJ	

Professional Engineering Projects Limited

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Professional Engineering Projects Limited

Directors' Report

For the year ended 31 December 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of the publication and sale of periodicals, the letting of meeting rooms at One Birdcage Walk and providing training and consultancy services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J Tetlow	(Resigned 31 October 2018)
R Folkson	
N Wallbridge	
R Roy	(Resigned 15 August 2018)
C Hickman	(Resigned 22 May 2019)
S Fox	
C Brown	(Appointed 16 July 2018)

Results and dividends

The results for the year are set out on page 6

The Institution of Mechanical Engineers owns 100% of the issued share capital of the company.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Professional Engineering Projects Limited

Directors' Report (Continued)

For the year ended 31 December 2018

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with the company's articles, a resolution proposing that Crowe U.K. LLP be reappointed as auditor of the company will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the board and signed on its behalf:



Date: 27/8/19

Professional Engineering Projects Limited

Strategic Report

For the year ended 31 December 2018

The directors present the strategic report for the year ended 31 December 2018.

Review of the Business

The results for the year are set out in the profit and loss account.

The strategy of replacing publishing royalties with new business profits has been implemented but only around one third of the proceeds of the publishing disposal have been invested in commercial businesses so full replacement of the lost income cannot be expected. Unfortunately, challenges in the non-destructive training part of the business have resulted in an overall loss in 2018 although profits in excess of this were made by a trading subsidiary, Sonaspection International.

Future Developments

During 2019 the company will continue to focus on its principal activities and improve revenue and profitability. The directors remain confident that the company has adequate resources to continue in operational existence for the foreseeable future. More details are provided in note 1.2. Going Concern.

Specific Industry Risks

The directors continually assess the risks that are perceived to offer the greatest threat to the business.

During the year a number of external factors including Brexit and the Oil and Gas industry downturn continued to impact on all the businesses as they affected decision making in our customer base. The directors took necessary corrective actions but continue to monitor the position.

Financial Risk

The directors consider annually the risks facing the company and are satisfied that wherever possible, steps have been taken to mitigate those risks.

Key Performance Indicators

The directors assessed the performance indicators and consider that the following are key within the decision making process:

Turnover – this rose 4.1% to £4,999,165 (2017 £4,803,470)

Operating profit – this fell to a loss of £162,555 (2017 £158,815 profit)

Individual divisions have their own KPIs such as number of course attendees, number of courses and attendees per course. The venue and room hire business is measured on occupancy rates.

Approved by the Board on 27/8 2019 and signed on its behalf by:

S Fox
Director

C Brown
Director

Professional Engineering Projects Limited

Independent Auditor's Report

To the Members of Professional Engineering Projects Limited

Opinion

We have audited the financial statements of Professional Engineering Projects Limited for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Professional Engineering Projects Limited

Independent Auditor's Report (Continued)

To the Members of Professional Engineering Projects Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

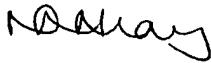
Professional Engineering Projects Limited

Independent Auditor's Report (Continued)

To the Members of Professional Engineering Projects Limited

Use of our report

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K LLP
Statutory Auditor
London

24th September 2019
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Professional Engineering Projects Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	2	4,999,165	4,803,470
Cost of sales		(1,796,854)	(1,687,120)
Gross profit		3,202,311	3,116,350
Administrative expenses		(3,283,410)	(2,957,535)
Operating (loss)/profit	3	(81,099)	158,815
Interest payable and similar expenses	5	(81,457)	(73,069)
(Loss)/profit before taxation		(162,556)	85,746
Taxation		-	-
(Loss)/profit for the financial year	14	(162,556)	85,746
Total comprehensive income for the year		(162,556)	85,746
Retained earnings at 1 January		(2,285,121)	(2,370,867)
Retained earnings at 31 December		(2,447,677)	(2,285,121)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Notes on pages 9 to 17 form an integral part of the financial statements.

Professional Engineering Projects Limited

Balance Sheet

As at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	7		15,785		10,861
Tangible fixed assets	8		615,242		609,698
Investments	9		2,649,469		2,649,469
			<u>3,280,496</u>		<u>3,270,028</u>
Current assets					
Debtors	11	1,365,629		1,588,609	
Cash at bank and in hand		871,387		596,904	
		<u>2,237,016</u>		<u>2,185,513</u>	
Creditors: amounts falling due within one year	12	(7,965,187)		(7,740,660)	
Net current liabilities			<u>(5,728,171)</u>		<u>(5,555,147)</u>
Total assets less current liabilities			<u>(2,447,675)</u>		<u>(2,285,119)</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss reserves	14		(2,447,677)		(2,285,121)
Total equity			<u>(2,447,675)</u>		<u>(2,285,119)</u>


These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27/8/19

Signed on its behalf by:



S Fox
Director



C Brown
Director

Company Registration No. 01103638

Notes on pages 9 to 17 form an integral part of the financial statements.

Professional Engineering Projects Limited

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Company information

Professional Engineering Projects Limited is a private company limited by shares (Registered number 01103638) incorporated and domiciled in England and Wales. The registered office is 1 Birdcage Walk, London, SW1H 9JJ. The principal activities of the company are set out in the Directors' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Whilst the financial statements report net liabilities of £2,447,674, they continue to be prepared on a going concern basis.

For the year ended 31 December 2018, PEP Limited made a loss before tax of £162,555. However, a subsidiary, Sonaspection International, made profits in excess of this which are available to be distributed to PEP Limited. The Directors' note that the company is forecast to generate a positive cash flow and its forecast for 2019 and beyond demonstrates that the remaining underlying investments and activities are forecast to be profitable. There are no external borrowings and the net current liabilities include amounts due to other group companies of £7,107,728. The directors, therefore, believe that the going concern basis of accounting continues to be appropriate in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for royalties, goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. When the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives of 5 years.

Software

3 years

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	over the period of the lease
Fixtures, fittings & equipment	5 years
Plant and machinery	8 years
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets at fair value through profit or loss

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising in remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.9 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Other financial liabilities are classified at fair value through profit or loss are measured at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the year they are payable.

1.12 Foreign exchange

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

1.13 Related party transactions

As the Company is a wholly owned subsidiary of the Institution of Mechanical Engineers, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

1.14 Group accounts

The financial statements presents information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 or the Companies Act 2006 as it is a subsidiary undertaking of the Institution of Mechanical Engineers, a company incorporated by Royal Charter, and is included in the consolidated accounts of that entity.

The consolidated financial statements of the Institution of Mechanical Engineers, within which this company is included, can be obtained from the address given in Note 16.

2 Turnover

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Royalties received	32,052	25,616
Room Hire & Catering	1,061,566	876,786
Training Income	3,873,129	3,876,176
Sundry Income	32,418	24,892
	<u>4,999,165</u>	<u>4,803,470</u>

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Operating (loss)/profit	2018	2017
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	45,001	(7,051)
Research and development costs	-	7,560
Fees payable to the company's auditors for the audit of the company's annual accounts	4,500	(11,254)
Depreciation of owned tangible fixed assets	156,655	126,041
Amortisation of intangible assets	7,201	639
Cost of stock recognised as an expense	1,659,945	1,513,048

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 43 (2017 - 41).

	2018	2017
	Number	Number
Total	43	41

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	1,657,143	2,068,041
Social security costs	292,056	191,985
Pension costs	106,309	125,824
	2,055,508	2,385,850

5 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	10,160	3,845
Interest payable to group undertakings	70,455	69,224
Interest on other loans	842	-
	81,457	73,069

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

6 Amount written off investments

In July 2017, Amber Train Limited was placed into insolvent liquidation. The prior year financial statements were adjusted to write off the cost of this investment down to nil, to write back the deferred consideration on the purchase which is no longer due and write off the amounts due from Amber Train Limited, which will not be recovered, as follows:

	2018 £	2017 £
Write down of cost of investment	-	(1,528,681)
Write back of deferred consideration	-	255,000
Write off of intercompany balance	-	(436,592)
Write back of consideration held in escrow no longer due	-	200,000
	-	(1,510,273)

7 Intangible fixed assets

	IMechE Engineering Training Solutions & Slantonias Ball Limited	Other	Total
	£	£	£
Cost			
At 1 January 2018	3,021,164	11,500	3,032,664
Additions	-	12,125	12,125
At 31 December 2018	3,021,164	23,625	3,044,789
Amortisation and Impairment			
At 1 January 2018	3,021,164	639	3,021,803
Amortisation charged for the year	-	7,201	7,201
At 31 December 2018	3,021,164	7,840	3,029,004
Carrying amount			
At 31 December 2018	-	15,785	15,785
At 31 December 2017	-	10,861	10,861

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

8 Tangible fixed assets

	Leasehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2018	16,583	809,481	664,339	18,799	1,509,202
Additions	-	106,969	55,230	-	162,199
At 31 December 2018	16,583	916,450	719,569	18,799	1,671,401
Depreciation and impairment					
At 1 January 2018	16,583	349,031	515,091	18,799	899,504
Depreciation charged in the year	-	98,760	57,895	-	156,655
At 31 December 2018	16,583	447,791	572,986	18,799	1,056,159
Carrying amount					
At 31 December 2018	-	468,659	146,583	-	615,242
At 31 December 2017	-	460,450	149,248	-	609,698

9 Investments

	Fixed assets	
	2018	2017
	£	£
Investments	2,649,469	2,649,469
	2,649,469	2,649,469

The company has not designated any financial assets that are not classified as financial assets held for trading as financial assets at fair value through profit or loss.

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

(Continued)

9 Investments

Movements in fixed asset Investments

	Shares £
Cost or valuation	
At 1 January 2017 & 31 December 2017	2,649,469
Carrying amount	
At 31 December 2018	2,649,469
At 31 December 2017	2,649,469

10 Subsidiaries

These financial statements are separate company financial statements for 2017.

Details of the company's subsidiaries at 31 December 2018 are as follows:

Subsidiary undertakings	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)
IMechE Services Limited	England and Wales	100.00%	100.00%
Siantonas Ball Limited	England and Wales	100.00%	100.00%
IMechE Engineering Training Solutions Limited	England and Wales	100.00%	100.00%
Sonaspection Worldwide Limited	England and Wales	100.00%	100.00%
Sonaspection International Limited	England and Wales	100.00%	100.00%
Sonaspection Incorporated	USA	100.00%	100.00%

11 Debtors

	Due within one year	
	2018 £	2017 £
Trade debtors	1,059,546	1,159,478
Other debtors	306,083	429,131
	<u>1,365,629</u>	<u>1,588,609</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Professional Engineering Projects Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

12 Creditors

		Due within one year	
	Notes	2018 £	2017 £
Loans and overdrafts		-	10
Taxation and social security		132,304	111,510
Trade creditors		76,904	173,352
Amounts due to related parties		7,107,728	6,960,479
Other creditors		648,251	495,309
		<u>7,965,187</u>	<u>7,740,660</u>

13 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 2 Ordinary Shares of £1 each	2	2
	<u>2</u>	<u>2</u>

14 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	(2,285,121)	(2,370,867)
(Loss)/profit for the year	(162,556)	85,746
At the end of the year	<u>(2,447,677)</u>	<u>(2,285,121)</u>

15 Parent company

The company's ultimate parent company and controlling party is the Institution of Mechanical Engineers (IMechE) which is incorporated in England and Wales by Royal Charter. The IMechE is a registered charity. It heads the smallest and largest group for which accounts are prepared. Copies of the parent's consolidated financial statements may be obtained from the Financial Director, 1 Birdcage Walk, London, SW1H 9JJ.