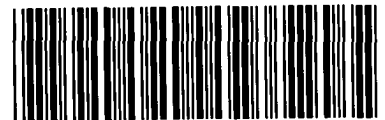


Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 June 2016
for
Otto Simon Holdings Limited and Subsidiaries

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Otto Simon Holdings Limited and Subsidiaries

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for the Year Ended 30 June 2016

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Otto Simon Holdings Limited and Subsidiaries

Company Information
for the Year Ended 30 June 2016

DIRECTOR:	S Haywood
SECRETARY:	Mrs C Haywood
REGISTERED OFFICE:	Churchfield House 5 The Crescent Cheadle Cheshire SK8 1PS
REGISTERED NUMBER:	06523021 (England and Wales)
SENIOR STATUTORY AUDITOR:	Nick Brajkovich BSc FCA
AUDITORS:	Nick Brajkovich Limited Statutory Auditor 29 Withers Avenue Warrington Cheshire WA2 8EU

Group Strategic Report
for the Year Ended 30 June 2016

The director presents his strategic report of the company and the group for the year ended 30 June 2016.

STRATEGIC REPORT

In last year's accounts it was stated that our target was to increase both turnover and profit by 50% for 2015/16. We are very pleased to report that we have exceeded these projections with an increase in turnover of approximately 60% and an increase in profit of more than 200%. The significant increase in profit is partly due to the fact that all bad debt for an overseas contract in a high risk jurisdiction had been written off over the previous 4 years.

It is our intention to maintain a similar level of profit for 2016/17 however it is expected that our turnover will drop to approximately £14 million due to a reduction in capital projects. Longer term our target is that within 3 years our turnover will have increased to £25 million with a profit margin of circa 20%.

To achieve our growth targets and expansion/diversification plans, a new group structure is in place with a strong senior management team. There are now 3 subsidiary companies which are John M Henderson Ltd (JMH), Otto Simon Chemicals Ltd (OSC) and Otto Simon Ltd which also has a separate profit centre for operation and maintenance (O+M) activities. These various subsidiaries and profit centres will enable us to maintain transparency and quick decision making.

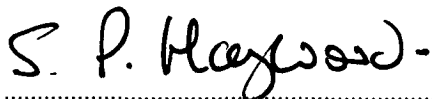
OSC was established following the appointment of an MD and the recruitment of key staff with significant experience in the polymer and petrochemical industry. Our intention is to become a leading consultancy company to the worldwide polymer industry and from a standing start near the end of our 2015/16 financial year several notable successes have already been achieved.

JMH which has an excellent reputation as the world's leading provider of coke oven machines was acquired from administration by Otto Simon Holdings in January 2015. There was a slow start because of a lack of continuity of work and initially there were limited opportunities due to a significant turndown and lack of capital investment in the worldwide steel industry. However a large contract was won for a South American client and other smaller orders followed. In addition following significant business development activity and an apparent willingness for clients to once again invest in machines, especially for environmental projects, there are some excellent prospects which should significantly improve the financial results for 2016/17 and beyond.

At OSL the strategy will be to maintain an EPC capability for coke oven projects in the UK but due to the recent reduction in UK steelmaking capacity, opportunities are expected to reduce. However OSL is continuing to utilise relevant skills and experience to grow the business for consultancy, design and owners engineer opportunities in renewables (waste/ biomass/energy), bio refining/biotech and chemicals. Regarding O+M this aspect of the business has continued to grow. In addition to work in the coking industry we are now looking to exploit our relevant skills in related industries and the renewables sector.

To build on our success it is important that all companies continue to do a good job on all existing and new contracts. We will continue to be innovative and open to new ideas whilst remaining committed to making every effort to maintain the culture and values which have enabled us to grow and be successful to date.

ON BEHALF OF THE BOARD:



.....
S Haywood - Director

14th March 2017

Otto Simon Holdings Limited and Subsidiaries
Report of the Director
for the Year Ended 30 June 2016

The director presents his report with the financial statements of the company and the group for the year ended 30 June 2016.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2016 was £1,100,000.

DIRECTOR

S Haywood held office during the whole of the period from 1 July 2015 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

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

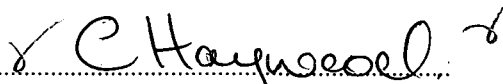
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

AUDITORS

The auditors, Nick Brajkovich Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Mrs C Haywood - Secretary

14th March 2017

Report of the Independent Auditors to the Members of
Otto Simon Holdings Limited and Subsidiaries

We have audited the financial statements of Otto Holdings Limited and Subsidiaries for the year ended 30 June 2016 on pages six to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director 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 group's and of the parent company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

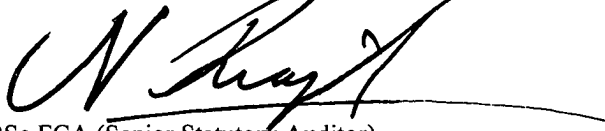
In our opinion the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Otto Simon Group of Companies

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nick Brajkovich BSc FCA (Senior Statutory Auditor)
for and on behalf of Nick Brajkovich Limited
Statutory Auditor
29 Withers Avenue
Warrington
Cheshire
WA2 8EU

14th March 2017

Otto Simon Holdings Limited and Subsidiaries

Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2016

	Notes	30.6.16 £	30.6.15 £
TURNOVER		19,608,589	12,683,566
Cost of sales		<u>15,130,578</u>	<u>10,894,854</u>
GROSS PROFIT		4,478,011	1,788,712
Administrative expenses		<u>1,656,779</u>	<u>1,305,509</u>
OPERATING PROFIT	3	2,821,232	483,203
Interest receivable and similar income		<u>4,606</u>	<u>26,905</u>
		2,825,838	510,108
Interest payable and similar charges	4	<u>3,056</u>	<u>11</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,822,782	510,097
Tax on profit on ordinary activities	5	<u>590,441</u>	<u>96,281</u>
PROFIT FOR THE FINANCIAL YEAR		2,232,341	413,816
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,232,341</u></u>	<u><u>413,816</u></u>
Profit attributable to:			
Owners of the parent		2,233,961	476,081
Minority interests		<u>(1,620)</u>	<u>(62,265)</u>
		<u><u>2,232,341</u></u>	<u><u>413,816</u></u>
Total comprehensive income attributable to:			
Owners of the parent		2,233,961	476,081
Non-controlling interests		<u>(1,620)</u>	<u>(62,265)</u>
		<u><u>2,232,341</u></u>	<u><u>413,816</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2016

	Notes	30.6.16	30.6.15
		£	£
FIXED ASSETS			
Intangible assets	8	905,500	978,000
Tangible assets	9	157,936	106,466
Investments	10	<u>-</u>	<u>-</u>
		1,063,436	1,084,466
CURRENT ASSETS			
Debtors	11	6,319,073	2,793,981
Cash at bank and in hand		<u>1,511,974</u>	<u>2,970,178</u>
		7,831,047	5,764,159
CREDITORS			
Amounts falling due within one year	12	<u>(6,223,539)</u>	<u>(5,335,643)</u>
NET CURRENT ASSETS		<u>1,607,508</u>	<u>428,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,670,944	1,512,982
CREDITORS			
Amounts falling due after more than one year	13	(6,621)	-
PROVISIONS FOR LIABILITIES	16	(26,000)	(7,000)
MINORITY INTERESTS		<u>63,885</u>	<u>62,265</u>
NET ASSETS		<u><u>2,702,208</u></u>	<u><u>1,568,247</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Retained earnings	19	<u>2,702,207</u>	<u>1,568,246</u>
SHAREHOLDERS' FUNDS		<u><u>2,702,208</u></u>	<u><u>1,568,247</u></u>

The financial statements were approved by the director on 14th March 2017 and were signed by:

S. P. Haywood

.....
S Haywood - Director

Company Balance Sheet
30 June 2016

	Notes	30.6.16 £	£	30.6.15 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		<u>1,830,675</u>		<u>1,830,675</u>
			1,830,675		1,830,675
CURRENT ASSETS					
Debtors	11	1		1	
Cash at bank		<u>48</u>		<u>66</u>	
		49		67	
CREDITORS					
Amounts falling due within one year	12	<u>(1,867,625)</u>		<u>(1,867,625)</u>	
NET CURRENT LIABILITIES			<u>(1,867,576)</u>		<u>(1,867,558)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(36,901)</u>		<u>(36,883)</u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Retained earnings	19		<u>(36,902)</u>		<u>(36,884)</u>
SHAREHOLDERS' FUNDS			<u>(36,901)</u>		<u>(36,883)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 14th March 2017 and were signed by:



S Haywood - Director

Otto Simon Holdings Limited and Subsidiaries

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2016

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 July 2014	1	1,842,145	1,842,146	-	1,842,146
Changes in equity					
Dividends	-	(750,000)	(750,000)	-	(750,000)
Total comprehensive income	-	476,101	476,101	(62,265)	413,836
Balance at 30 June 2015	<u>1</u>	<u>1,568,246</u>	<u>1,568,247</u>	<u>(62,265)</u>	<u>1,505,982</u>
Changes in equity					
Dividends	-	(1,100,000)	(1,100,000)	-	(1,100,000)
Total comprehensive income	-	2,233,961	2,233,961	(1,620)	2,232,341
Balance at 30 June 2016	<u>1</u>	<u>2,702,207</u>	<u>2,702,208</u>	<u>(63,885)</u>	<u>2,638,323</u>

The notes form part of these financial statements

Otto Simon Holdings Limited and Subsidiaries

Company Statement of Changes in Equity
for the Year Ended 30 June 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2014	1	(36,850)	(36,849)
Changes in equity			
Dividends	-	(750,000)	(750,000)
Total comprehensive income	<u>-</u>	<u>749,966</u>	<u>749,966</u>
Balance at 30 June 2015	<u>1</u>	<u>(36,884)</u>	<u>(36,883)</u>
Changes in equity			
Dividends	-	(1,100,000)	(1,100,000)
Total comprehensive income	<u>-</u>	<u>1,099,982</u>	<u>1,099,982</u>
Balance at 30 June 2016	<u><u>1</u></u>	<u><u>(36,902)</u></u>	<u><u>(36,901)</u></u>

The notes form part of these financial statements

Otto Simon Holdings Limited and Subsidiaries

Consolidated Cash Flow Statement
for the Year Ended 30 June 2016

	Notes	30.6.16 £	30.6.15 £
Cash flows from operating activities			
Cash generated from operations	1	(860,938)	2,916,732
Interest paid		(3,056)	(11)
Tax paid		<u>(111,466)</u>	<u>(74,453)</u>
Net cash from operating activities		<u>(975,460)</u>	<u>2,842,268</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(75,675)
Purchase of tangible fixed assets		(90,612)	(81,110)
Interest received		<u>4,606</u>	<u>26,905</u>
Net cash from investing activities		<u>(86,006)</u>	<u>(129,880)</u>
Cash flows from financing activities			
New loans in year		500,000	-
Capital repayments in year		13,242	-
Amount introduced by directors		190,020	-
Equity dividends paid		<u>(1,100,000)</u>	<u>(750,000)</u>
Net cash from financing activities		<u>(396,738)</u>	<u>(750,000)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,458,204)</u>	<u>1,962,388</u>
Cash and cash equivalents at beginning of year	2	2,970,178	1,007,790
Cash and cash equivalents at end of year	2	<u><u>1,511,974</u></u>	<u><u>2,970,178</u></u>

The notes form part of these financial statements

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2016

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

	30.6.16	30.6.15
	£	£
Profit before taxation	2,822,782	510,097
Depreciation charges	111,644	105,310
Finance costs	3,056	11
Finance income	<u>(4,606)</u>	<u>(26,905)</u>
	2,932,876	588,513
Decrease in stocks	-	417,447
(Increase)/decrease in trade and other debtors	(3,533,684)	1,067,664
(Decrease)/increase in trade and other creditors	<u>(260,130)</u>	<u>843,108</u>
Cash generated from operations	<u><u>(860,938)</u></u>	<u><u>2,916,732</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u><u>1,511,974</u></u>	<u><u>2,970,178</u></u>

Year ended 30 June 2015

	30.6.15	1.7.14
	£	£
Cash and cash equivalents	<u><u>2,970,178</u></u>	<u><u>1,007,790</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income recognition

Income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. The progress of long term projects is continually monitored and income earned, to which the company is contractually entitled, is recognised as the projects progress. Where losses are anticipated, these are recognised in full, immediately.

Goodwill

Goodwill on consolidation has arisen as follows:

Otto Simon Limited

This company was acquired in April 2008 goodwill arising on consolidation was £1,300,000; the directors considered that it would be reasonable to amortise this over twenty years. A recent external valuation of the company has confirmed that goodwill in respect of this subsidiary is reasonably stated and therefore the rate of amortisation will continue as originally envisaged.

John M Henderson Machines Limited

This company was acquired in November 2014 and the cost of investment was in fact in respect of intangible assets bought for £75,625; the directors consider that the useful economic life of these intangibles to be ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 5% on cost
Plant and machinery	- 50% on cost
Fixtures and fittings	- 15% on cost and 15% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the net asset and settle the liability simultaneously.

1. **ACCOUNTING POLICIES - continued**

Basic financial assets

Basic financial assets, which include debtors and cash and cash balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised costs using the effective interest method unless the arrangement constitutes a financing transaction, where it 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial assets

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Foreign exchange differences are recognised in the profit and loss account.

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 loss 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in question.

Any impairment is recognised in the profit and loss.

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2016

2. STAFF COSTS

	30.6.16	30.6.15
	£	£
Wages and salaries	4,223,549	2,202,610
Social security costs	470,319	245,403
Other pension costs	<u>101,857</u>	<u>63,890</u>
	<u><u>4,795,725</u></u>	<u><u>2,511,903</u></u>

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

30.6.16	30.6.15
99	52

3. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.16	30.6.15
	£	£
Hire of plant and machinery	8,347	5,469
Other operating leases	9,653	5,348
Depreciation - owned assets	39,142	32,632
Goodwill amortisation	72,500	72,675
Auditors' remuneration	8,401	7,000
Foreign exchange differences	<u>23,644</u>	<u>199</u>
Director's remuneration	<u><u>250,704</u></u>	<u><u>222,003</u></u>

Information regarding the highest paid director is as follows:

	30.6.16	30.6.15
	£	£
Emoluments etc	<u>41,142</u>	<u>41,214</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.6.16	30.6.15
	£	£
Bank interest	<u>3,056</u>	<u>11</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.16 £	30.6.15 £
Current tax:		
UK corporation tax	571,441	93,281
Deferred tax	<u>19,000</u>	<u>3,000</u>
Tax on profit on ordinary activities	<u><u>590,441</u></u>	<u><u>96,281</u></u>

Reconciliation of total tax charge included in profit and loss

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

	30.6.16 £	30.6.15 £
Profit on ordinary activities before tax	<u>2,822,782</u>	<u>510,097</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	564,556	107,120
Effects of:		
Expenses not deductible for tax purposes	3,977	1,683
Income not taxable for tax purposes	(770)	-
Adjustment re prior years' tax charge	-	(19,930)
Depreciation in excess of capital allowances	3,678	4,408
Deferred tax	<u>19,000</u>	<u>3,000</u>
Total tax charge	<u><u>590,441</u></u>	<u><u>96,281</u></u>

6. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,099,982 (2015 - £749,966).

7. **DIVIDENDS**

	30.6.16 £	30.6.15 £
Ordinary shares of .01 each		
Interim	<u><u>1,100,000</u></u>	<u><u>750,000</u></u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 July 2015	
and 30 June 2016	<u>1,375,675</u>
AMORTISATION	
At 1 July 2015	397,675
Amortisation for year	<u>72,500</u>
At 30 June 2016	<u>470,175</u>
NET BOOK VALUE	
At 30 June 2016	<u>905,500</u>
At 30 June 2015	<u>978,000</u>

9. TANGIBLE FIXED ASSETS

Group	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2015	25,636	20,715	67,074
Additions	<u>-</u>	<u>121</u>	<u>20,275</u>
At 30 June 2016	<u>25,636</u>	<u>20,836</u>	<u>87,349</u>
DEPRECIATION			
At 1 July 2015	8,973	20,715	51,296
Charge for year	<u>1,282</u>	<u>34</u>	<u>4,328</u>
At 30 June 2016	<u>10,255</u>	<u>20,749</u>	<u>55,624</u>
NET BOOK VALUE			
At 30 June 2016	<u>15,381</u>	<u>87</u>	<u>31,725</u>
At 30 June 2015	<u>16,663</u>	<u>-</u>	<u>15,778</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

9. **TANGIBLE FIXED ASSETS - Cont.'d.**

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2015	18,759	156,940	289,124
Additions	<u>-</u>	<u>70,216</u>	<u>90,612</u>
At 30 June 2016	<u>18,759</u>	<u>227,156</u>	<u>379,736</u>
DEPRECIATION			
At 1 July 2015	18,759	82,915	182,658
Charge for year	<u>-</u>	<u>33,498</u>	<u>39,142</u>
At 30 June 2016	<u>18,759</u>	<u>116,413</u>	<u>221,800</u>
NET BOOK VALUE			
At 30 June 2016	<u>-</u>	<u>110,743</u>	<u>157,936</u>
At 30 June 2015	<u>-</u>	<u>74,025</u>	<u>106,466</u>

10. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 July 2015 and 30 June 2016	<u>1,830,675</u>
NET BOOK VALUE	
At 30 June 2016	<u>1,830,675</u>
At 30 June 2015	<u>1,830,675</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Otto Simon Limited

Nature of business: Specialist engineering

	% holding		
Class of shares:			
Ordinary £1	100.00	30.6.16 £	30.6.15 £
Aggregate capital and reserves		3,947,411	2,706,848
Profit for the year		<u>2,340,563</u>	<u>797,901</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

Subsidiaries - Cont.'d.

John M Henderson Machines Limited

Nature of business: Specialist engineers

	% holding		
Class of shares:	80.00		
Ordinary £1		30.6.16 £	30.6.15 £
Aggregate capital and reserves		(310,181)	(311,328)
Profit/(loss) for the year		<u>1,147</u>	<u>(311,328)</u>

Otto Simon Chemicals Limited

Nature of business: Consultancy

	% holding		
Class of shares:	95.00		
Ordinary £1		30.6.16 £	
Aggregate capital and reserves		(36,885)	
Loss for the year		<u>(36,985)</u>	

11. DEBTORS

	Group		Company	
	30.6.16 £	30.6.15 £	30.6.16 £	30.6.15 £
Amounts falling due within one year:				
Trade debtors	5,051,084	2,338,982	-	-
Other debtors	14,079	3,900	-	-
Directors' current accounts	-	8,597	-	-
Tax	5	-	-	-
Prepayments and accrued income	1,246,512	436,492	-	-
Prepayments	<u>7,392</u>	<u>6,009</u>	<u>-</u>	<u>-</u>
	<u>6,319,072</u>	<u>2,793,980</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Called up share capital not paid	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Aggregate amounts	<u>6,319,073</u>	<u>2,793,981</u>	<u>1</u>	<u>1</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements – continued
for the Year Ended 30 June 2016

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.6.16	30.6.15	30.6.16	30.6.15
	£	£	£	£
Other loans (see note 14)	500,000	-	-	-
Hire purchase contracts (see note 15)	6,621	-	-	-
Trade creditors	2,271,320	2,147,126	-	-
Amounts owed to participating interests	-	-	1,677,625	1,867,625
Tax	571,487	111,505	-	-
Social security and other taxes	162,918	96,498	-	-
VAT	264,229	25,654	-	-
Other creditors	2,936	520	-	-
Directors' current accounts	181,423	-	190,000	-
Accrued expenses	<u>2,262,605</u>	<u>2,954,340</u>	<u>-</u>	<u>-</u>
	<u>6,223,539</u>	<u>5,335,643</u>	<u>1,867,625</u>	<u>1,867,625</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group	
	30.6.16	30.6.15
	£	£
Hire purchase contracts (see note 15)	<u>6,621</u>	<u>-</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	30.6.16	30.6.15
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>500,000</u>	<u>-</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.6.16	30.6.15
	£	£
Net obligations repayable:		
Within one year	6,621	-
Between one and five years	<u>6,621</u>	<u>-</u>
	<u>13,242</u>	<u>-</u>

15. **LEASING AGREEMENTS - continued**

Group

	Non-cancellable operating leases	
	30.6.16	30.6.15
	£	£
Within one year	68,829	62,000
Between one and five years	295,244	295,000
In more than five years	<u>156,000</u>	<u>208,000</u>
	<u>520,073</u>	<u>565,000</u>

16. **PROVISIONS FOR LIABILITIES**

	Group	
	30.6.16	30.6.15
	£	£
Deferred tax		
Accelerated capital allowances	<u>26,000</u>	<u>7,000</u>
Group		
		Deferred tax
		£
Balance at 1 July 2015		7,000
Provided during year		<u>19,000</u>
Balance at 30 June 2016		<u>26,000</u>

Otto Simon Holdings Limited and Subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2016

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.16 £	30.6.15 £
100	Ordinary	.01	<u>1</u>	<u>1</u>

On the 25th November 2010 the company passed a special resolution authorising the subdivision of the original 1 £1 ordinary share in issue, into 100 ordinary shares of 1p.

18. RESERVES

Group

	Retained earnings £
At 1 July 2015	1,568,246
Profit for the year	2,233,961
Dividends	<u>(1,100,000)</u>
At 30 June 2016	<u>2,702,207</u>

Company

	Retained earnings £
At 1 July 2015	(36,884)
Profit for the year	1,099,982
Dividends	<u>(1,100,000)</u>
At 30 June 2016	<u>(36,902)</u>

Otto Simon Holdings Limited and Subsidiaries

Reconciliation of Equity
1 July 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	transition to FRS 102 £	Effect of FRS 102 £
FIXED ASSETS				
Intangible assets		910,000	-	910,000
Tangible assets		<u>57,988</u>	<u>-</u>	<u>57,988</u>
		<u>967,988</u>	<u>-</u>	<u>967,988</u>
CURRENT ASSETS				
Stocks		417,447	-	417,447
Debtors		5,920,099	-	5,920,099
Prepayments and accrued income		162,986	-	162,986
Cash at bank and in hand		<u>1,007,790</u>	<u>-</u>	<u>1,007,790</u>
		<u>7,508,322</u>	<u>-</u>	<u>7,508,322</u>
CREDITORS				
Amounts falling due within one year		<u>(6,695,213)</u>	<u>-</u>	<u>(6,695,213)</u>
NET CURRENT ASSETS		<u>813,109</u>	<u>-</u>	<u>813,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,781,097	-	1,781,097
PROVISIONS FOR LIABILITIES		<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>
NET ASSETS		<u><u>1,777,097</u></u>	<u><u>-</u></u>	<u><u>1,777,097</u></u>
CAPITAL AND RESERVES				
Called up share capital		1	-	1
Retained earnings		<u>1,777,096</u>	<u>-</u>	<u>1,777,096</u>
SHAREHOLDERS' FUNDS		<u><u>1,777,097</u></u>	<u><u>-</u></u>	<u><u>1,777,097</u></u>

Otto Simon Holdings Limited and Subsidiaries

Reconciliation of Equity - continued
30 June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		978,000	-	978,000
Tangible assets		106,466	-	106,466
Investments		-	-	-
		<u>1,084,466</u>	<u>-</u>	<u>1,084,466</u>
CURRENT ASSETS				
Debtors		2,793,981	-	2,793,981
Cash at bank and in hand		<u>2,970,178</u>	<u>-</u>	<u>2,970,178</u>
		<u>5,764,159</u>	<u>-</u>	<u>5,764,159</u>
CREDITORS				
Amounts falling due within one year		<u>(5,335,643)</u>	<u>-</u>	<u>(5,335,643)</u>
NET CURRENT ASSETS		<u>428,516</u>	<u>-</u>	<u>428,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,512,982	-	1,512,982
PROVISIONS FOR LIABILITIES		(7,000)	-	(7,000)
MINORITY INTERESTS		<u>62,265</u>	<u>-</u>	<u>62,265</u>
NET ASSETS		<u>1,568,247</u>	<u>-</u>	<u>1,568,247</u>
CAPITAL AND RESERVES				
Called up share capital		1	-	1
Retained earnings		<u>1,568,246</u>	<u>-</u>	<u>1,568,246</u>
SHAREHOLDERS' FUNDS		<u>1,568,247</u>	<u>-</u>	<u>1,568,247</u>

Otto Simon Holdings Limited and Subsidiaries

Reconciliation of Profit

for the Year Ended

30 June 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	12,683,566	-	12,683,566
Cost of sales	(10,894,854)	-	(10,894,854)
GROSS PROFIT	1,788,712	-	1,788,712
Administrative expenses	(1,305,509)	-	(1,305,509)
OPERATING PROFIT	483,203	-	483,203
Income from shares in group undertakings	-	-	-
Interest receivable and similar income	26,905	-	26,905
Interest payable and similar charges	(11)	-	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	510,097	-	510,097
Tax on profit on ordinary activities	(96,281)	-	(96,281)
PROFIT FOR THE FINANCIAL YEAR	<u>413,816</u>	<u>-</u>	<u>413,816</u>
Profit attributable to:			
Owners of the parent			476,101
Minority interests			(62,285)
			<u>413,816</u>