Group Strategic Report, Report of the Director and

Consolidated Financial Statements for the Year Ended 30 June 2017

for

Otto Simon Holdings Limited and Subsidiaries

TUESDAY

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COMPANIES HOUSE

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Company Information
for the Year Ended 30 June 2017

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 2017

The director presents his strategic report of the company and the group for the year ended 30 June 2017.

STRATEGIC REPORT

In last year's financial statements it was reported that we anticipated that the group would maintain a similar level of profit for 2016/17, but that it was expected that our turnover would fall to approximately £14 million due to a reduction in capital projects. In the final analysis the group turnover was in line with last year's projections but profit after tax has reduced by approximately 20%, compared to the 2015/16 year. This is slightly disappointing and is mainly due to delays in receipt of a few key orders and slower than expected improvements in profitability of the JMH and OSC subsidiaries.

In the financial year 2017/18 we expect to maintain a similar profitability while increasing our turnover by approximately 10%. Thereafter increases in turnover and profitability of approximately 20% for the next few years are anticipated based upon long term contracts that have already been received and steady growth in the newer subsidiary companies.

The new group structure and senior management team is now well established. The three subsidiary companies are John M Henderson Ltd (JMH), Otto Simon Chemicals Ltd (OSC) and Otto Simon Ltd which has two main profit centres for Project Delivery (PD) and for Operation and Maintenance (O+M) activities.

JMH has now successfully completed an important contract for two new charge cars in Brazil and recent key orders which have been received in the Far East and Europe are in various stages of completion. In particular it is expected that further significant opportunities will be created in the Far East once the current orders have been successfully completed which will enhance the growth and profitability of the business.

After a slow start OSC is gradually starting to establish itself as a leading consultancy in the worldwide polymer industry. It is now expected that the business will grow strongly over the next few years and profit margins will start to increase.

OSL has continued to use its significant skills and experience to grow the business for consultancy, design and owners engineer opportunities in renewables (waste/ biomass/energy), bio refining/biotech and chemicals.In addition we will continue to exploit opportunities for EPC contracts in coke making as they arise. Regarding O+M, significant long term contracts have either been received or are expected shortly. There are now opportunities in similar industries overseas, in addition to this, we continue to explore opportunities in related industries and the renewables sector where we can exploit our relevant skills.

As the business grows it is vitally important that all our companies continue to support our clients and keep doing an excellent job on all new and existing contracts. In addition we will still 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 be successful to date.

With the increase in new work won, the group has taken on more staff and increased its skill base; this has meant that we have outgrown our premises at Churchfield House. In February 2017 the group purchased the premises next door, 3 The Crescent, the purchase will allow is to accommodate our future anticipated growth comfortably.

ON BEHALF OF THE BOARD:



S Haywood - Director

Date: 22nd March 2018

Report of the Director for the Year Ended 30 June 2017

The director presents his report with the financial statements of the company and the group for the year ended 30 June 2017.

DIVIDENDS
No dividends will be distributed for the year ended 30 June 2017.

DIRECTOR
S Haywood held office during the whole of the period from 1 July 2016 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:

S C Haywood

Mrs C Haywood - Secretary

Date: 22nd March 2018

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

Opinion

We have audited the financial statements of Otto Simon Holdings (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 on pages six to twenty three. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2017 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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 director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- 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; and
- the Group Strategic Report and the Report of the Director 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

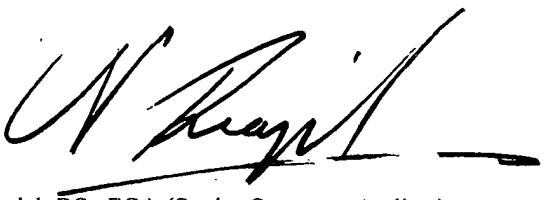
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of director
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, and for such internal control as the director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.



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

Date: 22nd March 2018

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2017

	Notes	30.6.17 £	30.6.16 £
TURNOVER	3	14,454,242	19,608,589
Cost of sales		10,119,149	15,130,578
GROSS PROFIT		4,335,093	4,478,011
Administrative expenses		2,379,660	1,656,779
		1,955,433	2,821,232
Other operating income		121,530	-
OPERATING PROFIT	5	2,076,963	2,821,232
Interest receivable and similar income		506	4,606
		2,077,469	2,825,838
Interest payable and similar expenses	6	5,094	3,056
PROFIT BEFORE TAXATION		2,072,375	2,822,782
Tax on profit	7	306,072	590,441
PROFIT FOR THE FINANCIAL YEAR		1,766,303	2,232,341
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,766,303	2,232,341
Profit attributable to:			
Owners of the parent		1,765,856	2,233,961
Non-controlling interests		447	(1,620)
		1,766,303	2,232,341
Total comprehensive income attributable to:			
Owners of the parent		1,766,303	2,233,961
Non-controlling interests		-	(1,620)
		1,766,303	2,232,341

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2017

	Notes	30.6.17 £	£	30.6.16 £	£
FIXED ASSETS					
Intangible assets	10		833,000		905,500
Tangible assets	11		989,133		157,936
Investments	12		-		-
			1,822,133		1,063,436
CURRENT ASSETS					
Debtors	13	6,304,937		6,319,073	
Cash at bank and in hand		216,905		1,511,974	
		6,521,842		7,831,047	
CREDITORS					
Amounts falling due within one year	14	3,463,683		6,223,539	
NET CURRENT ASSETS			3,058,159		1,607,508
TOTAL ASSETS LESS CURRENT LIABILITIES			4,880,292		2,670,944
CREDITORS					
Amounts falling due after more than one year	15		(443,166)		(6,621)
PROVISIONS FOR LIABILITIES	19		(32,500)		(26,000)
NET ASSETS			4,404,626		2,638,323
CAPITAL AND RESERVES					
Called up share capital	20		1		1
Retained earnings	21		4,468,063		2,702,207
SHAREHOLDERS' FUNDS			4,468,064		2,702,208
NON-CONTROLLING INTERESTS	22		(63,438)		(63,885)
TOTAL EQUITY			4,404,626		2,638,323

The financial statements were approved by the director on 22nd March 2018 and were signed by:

S. P. Haywood.

S Haywood - Director

The notes form part of these financial statements

Company Balance Sheet
30 June 2017

	Notes	30.6.17 £	£	30.6.16 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		795,022		-
Investments	12		1,830,675		1,830,675
			2,625,697		1,830,675
CURRENT ASSETS					
Debtors	13	1,219		1	
Cash at bank		7,098		48	
		8,317		49	
CREDITORS					
Amounts falling due within one year	14	2,236,307		1,867,625	
NET CURRENT LIABILITIES			(2,227,990)		(1,867,576)
TOTAL ASSETS LESS CURRENT LIABILITIES			397,707		(36,901)
CREDITORS					
Amounts falling due after more than one year	15		443,166		-
NET LIABILITIES			(45,459)		(36,901)
CAPITAL AND RESERVES					
Called up share capital	20		1		1
Retained earnings			(45,460)		(36,902)
SHAREHOLDERS' FUNDS			(45,459)		(36,901)
Company's (loss)/profit for the financial year			(8,558)		1,099,982

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 22nd March 2018 and were signed by:

S. P. Haywood.

S Haywood - Director

The notes form part of these financial statements

Otto Simon Holdings Limited and Subsidiaries

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 July 2015	-	1,568,246	1,568,246	(62,265)	1,505,981
Changes in equity					
Issue of share capital	1	-	1	-	1
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	1	2,702,207	2,702,208	(63,885)	2,638,323
Changes in equity					
Total comprehensive income	-	1,765,856	1,765,856	-	1,765,856
Balance at 30 June 2017	1	4,468,063	4,468,064	(63,885)	4,404,179

The notes form part of these financial statements

Otto Simon Holdings Limited

Company Statement of Changes in Equity
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2015	-	(36,884)	(36,884)
Changes in equity			
Issue of share capital	1	-	1
Dividends	-	(1,100,000)	(1,100,000)
Total comprehensive income	-	1,099,982	1,099,982
Balance at 30 June 2016	1	(36,902)	(36,901)
Changes in equity			
Total comprehensive income	-	(8,558)	(8,558)
Balance at 30 June 2017	1	(45,460)	(45,459)

The notes form part of these financial statements

Otto Simon Holdings Limited and Subsidiaries

Consolidated Cash Flow Statement
for the Year Ended 30 June 2017

	Notes	30.6.17 £	30.6.16 £
Cash flows from operating activities			
Cash generated from operations	1	96,554	(860,938)
Interest paid		(5,094)	(3,056)
Tax paid		(571,440)	(111,466)
Net cash from operating activities		(479,980)	(975,460)
Cash flows from investing activities			
Purchase of tangible fixed assets		(901,459)	(90,612)
Interest received		506	4,606
Net cash from investing activities		(900,953)	(86,006)
Cash flows from financing activities			
New loans in year		-	500,000
Capital repayments in year		(6,621)	13,242
Amount introduced by directors		30,000	190,020
Amount withdrawn by directors		(181,423)	-
Equity dividends paid		-	(1,100,000)
Net cash from financing activities		(158,044)	(396,738)
Decrease in cash and cash equivalents		(1,538,977)	(1,458,204)
Cash and cash equivalents at beginning of year	2	1,511,974	2,970,178
Cash and cash equivalents at end of year	2	(58,348)	1,511,974

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2017

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

	30.6.17	30.6.16
	£	£
Profit before taxation	2,072,375	2,822,782
Depreciation charges	142,763	111,644
Finance costs	5,094	3,056
Finance income	(506)	(4,606)
	2,219,726	2,932,876
Decrease/(increase) in trade and other debtors	14,131	(3,533,684)
Decrease in trade and other creditors	(2,137,303)	(260,130)
Cash generated from operations	96,554	(860,938)

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	216,905	1,511,974
Bank overdrafts	(275,253)	-
	(58,348)	1,511,974

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	1,511,974	2,970,178

The notes form part of these financial statements

1. STATUTORY INFORMATION

Otto Simon Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. 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.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Freehold property	- 2% on cost
Short leasehold	- 15% on reducing balance
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

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

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.

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.

continued...

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.6.17	30.6.16
	£	£
United Kingdom	13,091,472	15,976,026
Europe	5,311	47,670
United States of America	3,884	-
South America	425,899	3,584,893
Asia	908,808	-
Africa	18,868	-
	14,454,242	19,608,589

4. EMPLOYEES AND DIRECTORS

	30.6.17	30.6.16
	£	£
Wages and salaries	4,945,429	4,223,549
Social security costs	509,897	470,319
Other pension costs	127,847	101,857
	5,583,173	4,795,725

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

30.6.17	30.6.16
105	99

	30.6.17	30.6.16
	£	£
Director's remuneration	758,151	250,704

Information regarding the highest paid director is as follows:

	30.6.17	30.6.16
	£	£
Emoluments etc	40,000	41,142

continued...

5. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.17	30.6.16
	£	£
Hire of plant and machinery	17,323	8,347
Other operating leases	10,000	9,653
Depreciation - owned assets	70,262	39,142
Goodwill amortisation	72,500	72,500
Auditors' remuneration	12,625	8,401
Foreign exchange differences	10,165	23,644

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.17	30.6.16
	£	£
Bank interest	388	3,056
Bank loan interest	4,706	-
	5,094	3,056

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	30.6.17	30.6.16
	£	£
Current tax:		
UK corporation tax	299,572	571,441
Deferred tax	6,500	19,000
Tax on profit	306,072	590,441

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.17	30.6.16
	£	£
Profit before tax	2,072,375	2,822,782
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	414,475	564,556
Effects of:		
Expenses not deductible for tax purposes	3,498	3,977
Income not taxable for tax purposes	(770)	(770)
Depreciation in excess of capital allowances	3,773	3,678
Adjustments to tax charge in respect of previous periods	(55,620)	-
Deferred tax	6,500	19,000
Adjustment for reduction in CT rate to 19% for 91/365 days	(5,250)	-
R&D tax credit	(60,534)	-
Total tax charge	306,072	590,441

continued...

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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.

9. DIVIDENDS

	30.6.17 £	30.6.16 £
Ordinary shares of .01 each		
Interim	-	1,100,000

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 July 2016 and 30 June 2017	1,375,675
AMORTISATION	
At 1 July 2016	470,175
Amortisation for year	72,500
At 30 June 2017	542,675
NET BOOK VALUE	
At 30 June 2017	833,000
At 30 June 2016	905,500

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 July 2016	-	25,636	20,836
Additions	779,805	-	-
At 30 June 2017	779,805	25,636	20,836
DEPRECIATION			
At 1 July 2016	-	10,255	20,749
Charge for year	11,840	1,282	51
At 30 June 2017	11,840	11,537	20,800
NET BOOK VALUE			
At 30 June 2017	767,965	14,099	36
At 30 June 2016	-	15,381	87

continued...

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2016	87,349	18,759	227,156	379,736
Additions	57,745	-	63,909	901,459
At 30 June 2017	145,094	18,759	291,065	1,281,195
DEPRECIATION				
At 1 July 2016	55,624	18,759	116,413	221,800
Charge for year	9,102	-	47,987	70,262
At 30 June 2017	64,726	18,759	164,400	292,062
NET BOOK VALUE				
At 30 June 2017	80,368	-	126,665	989,133
At 30 June 2016	31,725	-	110,743	157,936

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST			
Additions	779,805	28,238	808,043
At 30 June 2017	779,805	28,238	808,043
DEPRECIATION			
Charge for year	11,840	1,181	13,021
At 30 June 2017	11,840	1,181	13,021
NET BOOK VALUE			
At 30 June 2017	767,965	27,057	795,022

continued...

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2016 and 30 June 2017	1,830,675
NET BOOK VALUE	
At 30 June 2017	1,830,675
At 30 June 2016	1,830,675

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
Registered office:
Nature of business: Specialist engineering

Class of shares:	% holding
Ordinary	100.00

	30.6.17 £	30.6.16 £
Aggregate capital and reserves	5,899,591	3,947,411
Profit for the year	1,952,226	2,340,563

continued...

12. **FIXED ASSET INVESTMENTS - continued**

John M Henderson Machines Limited
Registered office:
Nature of business: Specialist engineers

Class of shares:	% holding	30.6.17 £	30.6.16 £
Ordinary	80.00		
Aggregate capital and reserves		(272,307)	(310,181)
Profit for the year		37,874	1,147

Otto Simon Chemicals Limited
Registered office:
Nature of business: Consultancy

Class of shares:	% holding	30.6.17 £	30.6.16 £
Ordinary	95.00		
Aggregate capital and reserves		(179,523)	(36,885)
Loss for the year		(142,638)	(36,985)

13. **DEBTORS**

	Group		Company	
	30.6.17 £	30.6.16 £	30.6.17 £	30.6.16 £
Amounts falling due within one year:				
Trade debtors	5,065,344	5,051,084	-	-
Other debtors	165,153	14,079	-	-
Tax	-	5	-	-
VAT	-	-	1,218	-
Prepayments and accrued income	945,693	1,173,273	-	-
Prepayments	128,746	80,631	-	-
	6,304,936	6,319,072	1,218	-
Amounts falling due after more than one year:				
Called up share capital not paid	1	1	1	1
Aggregate amounts	6,304,937	6,319,073	1,219	1

continued...

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.17	30.6.16	30.6.17	30.6.16
	£	£	£	£
Bank loans and overdrafts (see note 16)	300,743	-	25,490	-
Other loans (see note 16)	-	500,000	-	-
Hire purchase contracts (see note 17)	6,621	6,621	-	-
Trade creditors	724,526	2,271,320	3,826	-
Amounts owed to participating interests	-	-	2,205,491	1,677,625
Tax	299,614	571,487	-	-
Social security and other taxes	146,065	162,918	-	-
VAT	578,195	264,229	-	-
Other creditors	-	2,936	-	-
Directors' current accounts	30,000	181,423	-	190,000
Accruals and deferred income	580,199	768,278	-	-
Accrued expenses	797,720	1,494,327	1,500	-
	3,463,683	6,223,539	2,236,307	1,867,625

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.6.17	30.6.16	30.6.17	30.6.16
	£	£	£	£
Bank loans (see note 16)	443,166	-	443,166	-
Hire purchase contracts (see note 17)	-	6,621	-	-
	443,166	6,621	443,166	-

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.17	30.6.16	30.6.17	30.6.16
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	275,253	-	-	-
Bank loans	25,490	-	25,490	-
Other loans	-	500,000	-	-
	300,743	500,000	25,490	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	443,166	-	443,166	-

continued...

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.6.17	30.6.16
	£	£
Net obligations repayable:		
Within one year	6,621	6,621
Between one and five years	-	6,621
	6,621	13,242

Group

	Non-cancellable operating leases	
	30.6.17	30.6.16
	£	£
Within one year	83,420	68,829
Between one and five years	261,655	295,244
In more than five years	104,000	156,000
	449,075	520,073

18. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	30.6.17	30.6.16
	£	£
Bank loans	468,656	-

19. PROVISIONS FOR LIABILITIES

	Group	
	30.6.17	30.6.16
	£	£
Deferred tax		
Accelerated capital allowances	32,500	26,000

Group

	Deferred tax
	£
Balance at 1 July 2016	26,000
Provided during year	6,500
Balance at 30 June 2017	32,500

continued...

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.17 £	30.6.16 £
100	Ordinary	.01	1	1

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.

21. RESERVES

Group

	Retained earnings £
At 1 July 2016	2,702,207
Profit for the year	1,765,856
At 30 June 2017	4,468,063

22. ULTIMATE CONTROLLING PARTY

The controlling party is S Haywood.