UniVision Engineering Limited

Annual Report
Year ended 31 March 2015

UNIVISION ENGINEERING LIMITED
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Year ended 31 March 2015

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BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Board of Directors
Stephen Sin Mo KOO, *Executive Chairman*
Chun Pan WONG, *Chief Executive Officer*
Danny Kwok Fai YIP, *Finance Director*
Peter Yip Tak CHAN, *Director of Sales and Marketing*
Nicholas James LYTH, *Non-Executive Director*

Senior Management
Mike Chiu Wah CHAN, *Director of Operations*

Audit Committee
Nicholas James LYTH, *Chairman*
Stephen Sin Mo KOO

Remuneration Committee
Nicholas James LYTH, *Chairman*
Stephen Sin Mo KOO

AIM Stock Code
UVEL

Company Secretary
Danny Kwok Fai YIP

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Website: www.uvel.com

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London WC1V 7QH,
UK.

Principal bankers
Bank of China (Hong Kong)
Hong Kong and Shanghai Banking
Corporation Citibank, N.A.
Hua Nan Commercial Bank (Taiwan)

Auditor
HKCMCPA Company Limited
Certified Public Accountants
Unit 602, 6/F., Hoseinee House,
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Central, Hong Kong

Registrars
Computershare Investor Services
(Jersey) Limited
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St Helier,
Jersey JE1 1ES.

UK Depositary
Computershare Investor Services PLC
The Pavilions,
Bridgwater Road,
Bristol BS99 6ZZ,
UK

CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to report the Group's audited results for the financial year ended 31 March 2015.

Notwithstanding that the revenue from the Group's Security and Surveillance Systems business recorded a 24.4% decrease compared with last financial year, the maintenance contract income maintained growth of 9.7%. The Board has continued to focus on this segment, that generates much higher gross profit and more stable cash flow to the Group. We anticipate that large infrastructure projects and the line extension of the MTR in Hong Kong will provide the Company more opportunities for business growth in the coming years.

Recognising the Board's confidence in UniVision, it is declaring an increased final dividend of 0.39 HK cents (gross) per share for the financial year ended 31 March, 2015 (2014: 0.31 HK cents), consistent with its dividend policy since the 2013 financial year.

The Directors remain confident of the future of UniVision and are optimistic about the Group's prospects.

DEMERGER OF LEADER SMART GROUP

The Group has completed the procedure to demerge its Electrical and Mechanical ("E&M") and property division (the "Demerger") through an "in-specie" distribution of shares to UniVision's shareholders. The Board believes that the Demerger is in the best interests of the Company and UniVision's shareholders. After the demerger, it allows UniVision to focus on its core Security and Surveillance business whilst the Leader Smart Group focuses on properties which are not related to UniVision's core security and surveillance systems business.The Leader Smart website http://www.lshld.com/en/index.html# has been set up to update its shareholders about the company's activities..

The E&M business of Leader Smart has been effectively demerged from UniVision and is now an independent operating entity under Leader Smart Holding Limited which is incorporated in the BVI (British Virgin Islands). This move should improve the appeal of UniVision's business to existing as well as potential investors. The strategy also optimises the Group's operational efficiency.

The value of the net assets of Leader Smart Group of £727K as 31 March, 2015 were distributed to the UniVison Group's shareholders in specie as a special dividend at 0.2 pence per ordinary share. The demerger is treated as the distribution of non-cash assets to owners and the dividend in specie has been debited to the retained earnings accordingly.

The effect of the demerger of the Leader Smart Group on UniVision has resulted in a debit of £4.74m directly to equity.

FINANCIAL REVIEW

The profit from the continuing operation attributable to the equity holders of the Company is £91K (2014: £2.9m). The main reason for the big variance was that the Group recognised a gain from forgiveness of debt due to its former major shareholder of £2.5m in the 2014 financial year. Besides this, the revenue from the construction contracts division recorded a decrease of 53% in the Taiwan subsidiary. This led to the decrease in revenue of £1.9m in this business segment.

The Group generated positive net cash of £368K from its operating activities in the year (2014: £548K). The decrease was mainly due to the deposit paid of £0.45m for the software fee for a major project in Taiwan. The Hong Kong Company has a relatively strong cash position that generated positive net cash of £883K from its operating activities in the year (2014: negative £12K) and maintained a cash balance of £1m at the year end. This was contributed to by the effective control of working capital. Net cash of £420K was generated from financing activities in the year (2014: negative £673K) mainly from the proceeds from a bank loan to the Taiwan subsidiary for securing new orders. The Group maintained cash and cash equivalents at 31 March 2015 of £1.2m (31 March 2014: £0.4m).

During the year under review, the relative strengthening closing rate at the year-end of the HK$ against Sterling has led to 11% appreciation in the GBP reporting amount in the Consolidated Statement of Financial Position. All figures in the said Statement therefore needed to be adjusted for comparison purposes.

Turnover in the year decreased by 24.2% to £6.7m (2014: £8.9m). This decrease was mainly due to the significant drop in the construction contracts division in the Group's Taiwan subsidiary that recorded a decrease of revenue of 53% as compared with last year. Facing slow economic growth, local customers cut down their capital expenditure and budgets. There was lower demand for improving or replacing Security and Surveillance Systems.

The revenue from the construction contracts division (excluded the discontinued operations - E&M business) recorded a decrease of 15.5% and 53% respectively in Hong Kong and Taiwan as compared with last year. The drop of construction revenue in Hong Kong was mainly due to the delay of civil works in the major project (the Hong Kong-Zhuhai-Macao Bridge Project) that slowed down the progress of the construction works. There was also increased competition in job tendering for new projects.

The Group's maintenance contracts increased 9.7% overall compared with last year. The revenue and profit margin of the Hong Kong maintenance business are relatively stable. Nevertheless, it recorded a 11.5% decrease in revenue mainly due to the change of scope in the service provided in the new maintenance contract to MTR Corporation Limited for three years commencing on 1 January 2015. The main maintenance contract and its sub-contracts provided regular cash flow for the Group's operations. The remarkable growth of 75.5% (£467K) in the Taiwan maintenance business partly offsets the significant fall in revenue in its construction business. This growth was contributed to by more orders from a local customer and also the release of maintenance budget by a major customer.

The Group's Security and Surveillance Systems business is relatively stable and generates cash flows for operations. The major customers in the Security and Surveillance Systems business are public organisations and sizeable private enterprises, such as the various departments of the Hong Kong Government and MTR Corporation Limited in Hong Kong and Formosa Group in Taiwan.

Gross profit margin slightly increased to 27.2% (2014: 25.9%). The major reason was the increase in gross profit from 35% to 41% in the Group's maintenance contracts, mainly due to effective control of material costs, logistics and sub-contracting charges, and efficiency control to minimize the replacement of equipment during the year. The gross margin in the Taiwan maintenance contracts was much improved to 39% in the year. The decrease in Gross Profit from 22% to 18% in the Group's construction contracts was due to keen competition in tendering projects.

Administration expenses remain constant at £1.6m (2014: £1.6m) mainly due to effective cost control to offset the effect of inflation. Finance costs were increased to £26K (2014: £21K) during the year due to increase in borrowing from a bank by the Taiwan subsidiary.

The effect of the demerger of the Leader Smart Group with resulting in a debit of £4.74m to the equity is related to the amount of the provision that was made by the Parent Company for the balance due from the Leader Smart Group, which has been eliminated on consolidation in previous years. It does not affect the profit and loss for the year.

'Continuing operations' represents the Group's Security and Surveillance Systems business which is undertaken by the Hong Kong Company and the Taiwan subsidiary. The E&M business undertaken by the Leader Smart Group is classified as discontinued operations. The loss for the business during the year was £31K (2014: £80K).

Profit before Interest and Tax (PBIT) from continuing operations was £156K (2014: £3m). Net profit before income tax from continuing operations was £130K (2014: £3m). Basic profit from continuing operations per share for this year was 0.02p (2014: 0.76p).

The Taiwan subsidiary declared a dividend of TWD2.8m (HK$0.73m) during the year. The dividend was paid to the holding company in December 2014 after deducting the withholding tax.
No significant capital investment occurred in the year.

The directors propose the payment of a final dividend of 0.39 HK cents (gross) per share for the financial year ended 31 March 2015 (2014: 0.31 HK cents). The dividend timetable is as follows:

Ex date	17 September 2015
Record date	18 September 2015
Payment date	12 October 2015

The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements.

BUSINESS REVIEW

Markets

According to Tech Navio's analysts forecast, the Global IP Video Surveillance market will grow at a CAGR (Compound Annual Growth Rate) of 24.89 per cent over the period of four years from 2014 to 2018. The increase in concern over security and safety, and also the demand for high-quality images to replace older surveillance systems, are two contributing factors to the growth of the CCTV market.

OnVIF and PSIA are expected to bring a standard in open markets in coming years. Apart from megapixel resolution network security cameras, which are predicted to out-sell standard resolution network security cameras, High Definition Serial Digital Interface (HD-SDI) cameras, which provide high definition real time and no latency video via coaxial cable, are becoming another popular choice.

To overcome existing CCTV networks using coaxial cables, a strong tendency towards Ethernet Over Coaxial devices will also play an important role in months to come.

The Group will explore M&A opportunities in related businesses, both locally and overseas, for growth and expansion. Furthermore, the Group would like to expand its market geographically. The target markets include United Arab Emirates and South East Asian countries.

Business

During the year, the Hong Kong Company was awarded a new construction contract for the Hong Kong-Zhuhai-Macao Bridge Project with a contract value of HK$11.25m. It is another remarkable project following the Kai Tak Cruise Terminal project. Further, the Company also obtained the Central–Wanchai Bypass Tunnel Project. These strengthen the Group's position in the Security and Surveillance Systems business in Hong Kong.

Listing

This year 2015 is the 10^{th} anniversary of UniVision's listing on the London Stock Exchange's AIM market. It is a milestone that signifies the Group's standing in the Security and Surveillance Systems business sector. The Group has grown to be one of the leading providers of integrated security systems in our markets.

PROSPECTS

UniVision will remain stable with a strong pipeline of infrastructure projects in the coming year.

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The Board expects that the growing demand for its Network and High Definition Security and Surveillance products will enable the Group to continue to prosper in these markets.

The Demerger allows the management of UniVision to have a more defined business focus on their core Security and Surveillance Systems business and enhance their responsiveness to market changes.

The Board expects that the business will improve following the announcement of several major proposed infrastructure projects in the coming years, including the High Speed Railway extension (Hong Kong Section), the new runway for Hong Kong International Airport and the extension of MTR lines in Hong Kong. The new line – Shatin-Central - is currently under construction. The Directors believe the demand for Security and Surveillance Systems will remain high and that the Group's core competence relies on our dedicated and experienced management and personnel.

Finally, on behalf of the Board, I would like to thank our customers, suppliers and shareholders for their continued support of UniVision. I would also like to acknowledge the hard work of the management and all the staff for their contribution and dedication to the Group.

MR. STEPHEN SIN MO KOO
EXECUTIVE CHAIRMAN

10 September 2015

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

DIRECTORS' BIOGRAPHIES

Nicholas James LYTH – Non-executive Director (aged 49)
Mr. Lyth is a qualified chartered management accountant and has over 15 years experience as a finance professional, having spent a number of years as director of UK companies. He has lived and worked in China and can speak and write Mandarin. Nicholas is currently Non Executive Chairman of Taihua plc, an AIM quoted manufacturer of pharmaceuticals, based in China. He is responsible for day to day liaison with UK investors.

Stephen Sin Mo KOO – Executive Chairman (aged 58)
Mr. Koo joined UniVision in 1998 and was appointed as a Director on 3 March 2003. He is responsible for overall strategic planning of our Group. He holds both a Bachelor Degree from the University of Technology, Sydney, and a Masters Degree in Business from the Royal Melbourne Institute of Technology in Australia. He is the Director of Up Sky Investments Limited, the Group's ultimate parent company. He is a Fellow of the Institute of Certified Public Accountants of Australia.

Chun Pan WONG – Chief Executive Officer (aged 55)
Mr. Wong joined UniVision in 1991 and was appointed as a Director on 25 March 1992. He holds a Master Degree in Religious Studies in Chinese University of Hong Kong and a Bachelor Degree in Computer Science from the University of Edinburgh, Scotland, and over 18 years experience in the surveillance industry. Mr. Wong is responsible for formulating and overseeing the implementation of UniVision's business development strategies and for the management of the Company's operations. He is also responsible for the development of UniVision's state of the art CCTV control and monitoring systems and smart card access systems.

Danny Kwok Fai YIP –Finance Director (aged 51)
Mr. Yip was appointed as Finance Director on 18 September 2007. He was the Financial Controller for the Group before the appointment. Mr. Yip obtained a Master of Corporate Finance degree from The Hong Kong Polytechnic University and a Bachelor of Commerce (Accounting) degree from The Curtin University of Technology, Australia. Before joining the Group, Mr. Yip was the Accounting Manager of Nissin Food Group, the leading instant noodle manufacturing MNC. Mr. Yip has over 20 years experience in finance and accounting in different industries. He is a member of Hong Kong Institute of Certified Public Accountants. He also acts as Company Secretary for the Corporation.

Peter Yip Tak CHAN – Director of Sales and Marketing (aged 51)
Mr. Chan joined UniVision in 1995 and was appointed as a Director on 3 October 2014. He holds a Degree in Computing from the University of Northwest Missouri and has over 10 years experience in sales and project management. He is responsible for the management of UniVision's Sales and Marketing Division.

SENIOR MANAGEMENT'S BRIEF BIOGRAPHIES

Mike Chiu Wah CHAN – Director of Operations (aged 40)
Mr. Chan joined UniVision as Assistant Engineer in December 1996, and was promoted to a number of increasingly senior positions in maintenance and project department, prior to being appointed to his present position on 2 January 2008. He is now responsible for the management of UniVision's Project and Maintenance Division. Mr. Chan holds a Bachelor of Engineering degree in Industrial and Manufacturing System Engineering from The University of Hong Kong.

The Directors have pleasure in presenting their annual report together with the audited financial statements of the Group and the Company for the year ended 31 March 2015.

Principal Activities

The principal activities of the Company are the supply, design, consultation, installation and maintenance of closed circuit television and surveillance systems, and the sale of security related products.

Discontinued Operation

The Group discontinued its electrical and mechanical services (E & M business) at 31 March, 2015 by demerging Leader Smart Group through a dividend in specie of shares under the group restructuring.

Review of the Business

A review of the Group and its future development is included in the Chairman's Statement.

Assignment of Debt

The Company entered into the assignment of debt deed and agreed to transfer the balance with its former subsidiaries to Leader Smart Holdings Limited, their new holding company after the demerger, on 1 April, 2015.

Financial Position

The Group's profit for the year ended 31 March 2015 and the state of affairs of the Group at that date are set out in the consolidated statement of comprehensive income on page 19 and in the consolidated balance sheet on page 20, respectively.

The Group's and the Company's changes in shareholders' equity for the year ended 31 March 2015 are set out in the consolidated and the Company's statement of changes in equity on page 22 and 23, respectively.

The Group's and the Company's cash flow for the year ended 31 March 2015 is set out in the consolidated and the Company's statement of cash flows on pages 24 to 26.

Key Performance Indicators (KPI)

			2015	2014
Current Ratio:	Current Assets / Current Liabilities	:	1.6	2.6
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Sales per day	:	52 days	39 days
Inventory Turnover :	Cost of sales / Inventories	:	4.1	6.2
Gross profit Margin :	Gross profit / Sales	:	27%	26%
Debt to Equity Ratio :	Debt / Equity	:	0.21	0.04
Quick Ratio :	(Current Assets –Inventories)/ Current Liabilities	:	1.3	2.4

Share Capital and Reserves
Details of the movements in share capital are set out in note 27 on page 63.

The movements in reserves during the year are set out in the consolidated statement of changes in equity on page 22.

Dividends
The Directors propose that the payment of a final dividend of 0.39 HK cents (gross) per share for the financial year ended 31 March 2015.

Plant and Equipment
Details of the movements in plant and equipment are set out in note 16 on pages 54 to 55.

Directors
The directors who held office during the year and to the date of this report were as follows:

Stephen Sin Mo KOO
Nicholas James LYTH
Chun Pan WONG
Danny Kwok Fai YIP
Peter Yip Tak CHAN (appointed on 3 October, 2014)

Mr. Stephen Sin Mo KOO, Mr. Nicholas James LYTH and Mr. Danny Kwok Fai YIP retire by rotation at the forthcoming annual general meeting in accordance with the Company's Articles of Association and, being eligible, the current directors offer themselves for re-election.

Directors' Interests in Contracts
No director had a material interest in any contract of significance to the business of the Company to which the Company, its holding company, or its subsidiaries was a party at the end of the year or at any time during the year.

Directors' Interests in Shares
According to the register of Directors' Shareholdings kept by the Company, particulars of interests of the Directors (or their immediate families) who held office at the end of the financial year in the ordinary shares of the Company are as set out in the table below:

	Ordinary Shares held as at 31 March 2015
Stephen Sin Mo KOO	279,703,700*
Nicholas James LYTH	-
Chun Pan WONG	-
Danny Kwok Fai YIP	-
Peter Yip Tak CHAN	-

* 78,744,000 ordinary shares are registered under the name of Up Sky Investments Limited which is an investment holding company incorporated under the laws of the British Virgin Islands and is wholly-owned by Mr. Stephen Sin Mo KOO. Mr. Stephen Sin Mo KOO, is deemed to be interested in all the ordinary shares registered in the name of Up Sky Investments Limited.

Following the Share Transaction on 8 July 2011, the entire stake of UniVision Holdings Limited (it holds 183,736,000 shares of the Company) was transferred to Up Sky Investments Limited, a company that is wholly owned by Mr. Stephen Koo. He is also interested in 17,223,700 ordinary shares in the Company. Therefore following the Share Transaction, he has a total direct and indirect interest in 279,703,700 ordinary shares in the Company, equivalent to 72.9% of the Company's total issued share capital.

Save as disclosed in this report, none of the Directors (or their immediate families) who held office at the end of the financial year had interests in the share capital of the Company during the financial year.

Directors' Rights to Acquire Shares or Debentures
At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or its subsidiaries a party to any arrangement to enable the directors of the Company to acquire by means of the acquisition of shares in, or debentures of any other body corporate.

Substantial Shareholdings
As at 7 September 2015, the Directors had been informed of the following companies that held 3% or more of the Company's issued ordinary share capital:

	Number of ordinary shares	% of total issued share capital
UniVision Holdings Limited (1)	183,736,000	47.9
Up Sky Investments Limited (2)	78,744,000	20.5
Hargreaves Lansdown (Nominees) Limited	31,260,820	8.1
Beaufort Nominees Limited	24,467,998	6.4

(1) UniVision Holdings Limited is an investment holding company incorporated under the laws of the British Virgin Islands and was formerly owned by Mayne Management Limited. Up Sky Investments Limited acquired the entire stake from Mayne Management Limited on 8 July 2011 and became the major shareholder.

(2) Up Sky Investments Limited is an investment holding company incorporated under the laws of the British Virgin Islands and is wholly-owned by Mr. Stephen Sin Mo KOO.

Payments to Creditors
The Group does not follow any code or standard on payment practice but instead the Group policy is to pay all creditors in accordance with agreed terms of business.

Political and Charitable Donations
During the year the Company made £80 charitable contributions (2014: Nil). No political contribution was made.

Employees
The Group values staff involvement at all levels of operations, and uses various means to train, inform and consult the employees. The Group encourages the management to discuss regularly with the employees on both corporate and individual matters and discloses information to them that will increase their awareness of the financial and economic factors affecting the Group.

The Group recognises its obligations to provide a fair consideration on all vacancies towards people with disability and to ensure that such persons are not discriminated against on the grounds of their disability. For those employees who become disabled during their employment period, the Group will make every effort to ensure that their employment will continue and that sufficient training is arranged.

Annual General Meeting
The Annual General Meeting of the Company will be held at UniVision Engineering Limited, Unit 01A, 2/F Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, on 8 October 2015 at 5:00 p.m. The Notice of Meeting appears on page 75.

Annual Report
The annual report for the year ended 31 March 2015 will be uploaded on the Company's website www.uvel.com on 10 September, 2015 and the hard copy will be sent to shareholders by our Registrars, Computershare Investor Services (Jersey) Limited.

Auditor
HKCMCPA Company Limited, Certified Public Accountants remain as our auditor for the year. A resolution to re-appoint HKCMCPA Company Limited, Certified Public Accountants as auditor of the Company will be put to the forthcoming Annual General Meeting.

By Order of the Board

Mr. Stephen Sin Mo KOO
Executive Chairman

Hong Kong
10 September 2015

REMUNERATION REPORT

The Remuneration Committee presents this report to shareholders on behalf of the Board.

Membership of Remuneration Committee
The Remuneration Committee comprises Mr. Nicholas James LYTH (our Non-executive Director) and Mr. Stephen Sin Mo KOO (our Executive Chairman) and is chaired by Mr. Nicholas James LYTH.

Policy Statement
The Remuneration Committee sets the remuneration and all other terms of employment of the Executive Directors with a vision to provide a package which is suitable for the responsibilities involved. The remuneration of the Executive Directors is determined by the Remuneration Committee having regard to the performance and experience of individuals, the overall performance of the Group and market trends.

Directors' Remuneration
Details of individual director's remuneration for the year are set out in the table below:

	Salary and fees £	Pension scheme contribution £	Bonus £	**2015 Total £**	2014 Total £
Executive Directors					
Stephen Sin Mo KOO	23,996	120	-	**24,116**	-
Chun Pan WONG	50,474	1,400	4,159	**56,033**	50,318
Chun Hung WONG	-	-	-	**-**	62,685
Danny Kwok Fai YIP	40,379	1,400	3,327	**45,106**	43,584
Peter Yip Tak CHAN	20,512	720	3,343	**24,575**	-
Chun Hung WONG				**-**	49,542
Non-executive Director					
Nicholas James LYTH	11,518	-	-	**11,518**	11,747

Directors' Interests in Contracts and Interests in Shares
Details of Directors' Interests in Contracts and Interests in Shares are given in the Directors' Report.

REPORT ON CORPORATE GOVERNANCE

Introduction
The Directors believe that their foremost function is to generate continuous profits for the Company's investors, and that this should be achieved by a policy of high standards of corporate governance, integrity and ethics. As the Company is listed on AIM and not subject to the Listing Rules of the UK Listing Authority, it is not officially required to comply with the provisions detailed in the Combined Code on Corporate Governance. However, it is the intention of the Board to manage the Company's and Group's affairs in accordance with this Code, in so far as is practical and appropriate for a public company of this size and complexity. The following are a few examples on how the Directors have applied the principles of good corporate governance to manage the Company throughout the year.

Board of Directors
The Board directs and controls the Company and is responsible for strategy and operating performance. It meets regularly throughout the year and has adopted a schedule of matters specifically reserved for its decision.

All Directors are elected by shareholders at the first opportunity after their initial appointment to the Board and to be re-elected thereafter at intervals of not more than three years. Biographical information on all the Directors is listed in the Directors' and Senior Management's Biographies section to the annual report, which may help the shareholders to make a decision at the time of re-election.

Upon their appointments, the Directors are offered an opportunity to request information and training relevant to their legal and other duties. They are also given written guidelines and rules defining their responsibilities within an AIM listed company.

The Board considers that all Non-executive Directors are independent of management and day to day operation, and free from any commercial relationship with the Company. These Non-executive Directors do not participate in any of the Company's pension schemes or bonuses. The Chairman of the Audit and Remuneration Committees is a Non-executive Director.

Nomination Committee
As the Board of Directors of the Company is relatively small, there is no separate Nomination Committee. All nominations to the Board are considered by all of the Directors.

Audit Committee
Our Audit Committee comprises Mr. Nicholas James LYTH (our Non-executive Director) and Mr. Stephen Sin Mo KOO (our Executive Chairman) and is chaired by Mr. Nicholas James LYTH. The Chairman of the Audit Committee has full discretion to invite any Executive Directors to attend its meetings. The Audit Committee meets not less than twice per annum.

The responsibilities of the Committee are to:
- monitor the quality of the overall internal control system of all financial matters;
- review the Company's Accounting Policies and ensure compliance with accounting standards;
- ensure that the financial performance of the Company is properly measured and reported on;
- consider the appointment/re-appointment of the external auditor;
- review the conduct of the audit and discuss the audit fees;
- review reports from the Auditors relating to the Company's accounting and internal controls;
- to ensure the Company complies with the AIM Rules.

Remuneration Committee

Our Remuneration Committee comprises Mr. Nicholas James LYTH (our Non-executive Director) and Mr. Stephen Sin Mo KOO (our Executive Chairman) and is chaired by Mr. Nicholas James LYTH. The Remuneration Committee meets as required.

The responsibilities of the Committee are to:
- determine the specific remuneration package for each Director including Director's fees, salaries, allowances, bonuses, options, benefits-in-kind; and
- seek professional advice, including comparison with similar businesses, in order to correctly fulfil its duties, as the Committee deems appropriate.

In discharging its functions, the Committee may obtain independent external legal and other professional advices as it deems necessary. The expense of such advice shall be borne by the Company.

Internal Control

The Board of Directors is responsible for ensuring that the Company maintains an internal financial control system with appropriate monitoring procedures for all Group companies. The purpose of this system is to safeguard Company assets, maintain proper accounting records, and ensure that reliable financial information is used within the Group and for publication purposes. However, the system is designed to manage rather than completely eliminate risk and can only provide reasonable but not absolute assurance against material misstatement.

In order to achieve the above responsibilities, the Board meets regularly and monitors the Company's internal financial control by reviewing the overall process and the performance of the systems, setting annual budgets and periodic forecasts, and seeking any prior approval for all significant expenditure.

The Group currently does not have an internal audit department and after extensive review and consideration, the Board has concluded that the existing control mechanisms are sufficient for the size of the Group. This decision will be kept under review.

Going Concern
After making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's and Group's financial statements.

Investor Relations
The Company realises that effective communication can increase transparency and accountability to its shareholders; as such, the Company discloses its information to its shareholders through RNS (i.e. the news distribution service operated by the London Stock Exchange plc). The same information can also be found on the Company's website (www.uvel.com). The Company will make every effort to ensure that all price-sensitive information is released publicly and immediately. If an immediate announcement is not possible, the Company will try to publicize the information at the earliest time possible to ensure that the shareholders and the public have fair access to it.

The Company will send the Annual Report and the notice of the Annual General Meeting (AGM) to all its shareholders. This notice is also made available on RNS. The Company recognises the importance of the shareholders' views and encourages them to attend the AGMs where they can share their opinions and raise direct queries and concerns towards the Directors, including the chairperson of each of the Board Committees. The shareholders are also welcomed to discuss any issues on an informal basis at the conclusion of the AGMs.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
UNIVISION ENGINEERING LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of UniVision Engineering Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 21 to 74, which comprise the Consolidated and the Company's Statement of Financial Position as at 31 March 2015, and the Consolidated Statement of Comprehensive Income, the Consolidated and the Company's Statement of Changes in Equity and the Consolidated and the Company's Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Company's shareholders, as a body, in compliance with the Alternative Investment Market Rules ("AIM Rules") for companies as published by the London Stock Exchange plc. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body for this report or for the opinions we have formed.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Scope of the audit of the financial statements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unit 602, 6/F., Hoseinee House, 69 Wyndham Street, Central, Hong Kong
Tel: (852) 2573 2296 Fax: (852) 2384 2022 http://www.hkcmcpa.us

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF
UNIVISION ENGINEERING LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 March 2015 and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

HKCMCPA Company Limited
Certified Public Accountants

PANG KING SZE, RUFINA
Practising Certificate number P05228

Hong Kong, China
10 September 2015

Unit 602, 6/F., Hoseinee House, 69 Wyndham Street, Central, Hong Kong
Tel: (852) 2573 2296 Fax: (852) 2384 2022 http://www.hkcmcpa.us

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2015

	Notes	**2015** £	2014 £
Continuing operations			
Revenue	*7(a)*	**6,713,991**	8,854,802
Cost of sales	*10*	**(4,885,202)**	(6,562,989)
Gross profit		**1,828,789**	2,291,813
Other income	*8*	**2,926**	10,518
Other gains and losses	*9*	**3,084**	2,494,562
Selling and distribution expenses	*10*	**(103,185)**	(137,963)
Administrative expenses	*10*	**(1,575,024)**	(1,640,200)
Finance costs	*12*	**(26,401)**	(20,787)
Profit before income tax		**130,189**	2,997,943
Income tax credit/(expense)	*13*	**13,023**	(13,499)
Profit for the year from continuing operations		**143,212**	2,984,444
Discontinued operations			
Loss for the year from discontinued operations		**(30,657)**	(79,714)
Profit for the year		**112,555**	2,904,730
Other comprehensive income/(loss), net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		**51,339**	(985,245)
Total comprehensive income for the year		**163,894**	1,919,485
Profit attributable to :			
Equity shareholders of the Company			
Profit from continuing operations		**90,594**	2,900,301
Loss from discontinued operations		**(30,657)**	(79,714)
Equity shareholders of the Company		**59,937**	2,820,587
Non-controlling interests		**52,618**	84,143
		112,555	2,904,730
Total comprehensive income attributable to:			
Equity shareholders of the Company		**78,311**	1,870,597
Non-controlling interests		**85,583**	48,888
		163,894	1,919,485
Earnings per share – Basic and Diluted			
Continuing and discontinued operations	*14*	**0.02p**	0.74p
Continuing operations	*14*	**0.02p**	0.76p

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Notes	**2015**	2014
		£	£
ASSETS			
Non-current assets			
Plant and equipment	*16*	**47,629**	43,886
Goodwill	*17*	**25,830**	25,830
Trade and other receivables	*21*	**2,973,435**	1,324,331
Total non-current assets		**3,046,894**	1,394,047
Current assets			
Inventories	*19*	**1,205,464**	1,059,065
Trade and other receivables	*21*	**4,323,003**	14,299,649
Bank deposits	*22*	**251,641**	223,865
Cash and cash equivalents	*22*	**1,221,707**	379,860
Total current assets		**7,001,815**	15,962,439
Total assets		**10,048,709**	17,356,486
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*23*	**3,242,616**	4,544,953
Current tax liability	*24(a)*	**34,442**	1,226,973
Loan and borrowings	*25*	**1,122,052**	440,582
Obligations under finance lease	*26*	**7,694**	6,844
Total current liabilities		**4,406,804**	6,219,352
Non-current liability			
Obligations under finance lease	*26*	**641**	7,415
Total liabilities		**4,407,445**	6,226,767
Equity			
Share capital	*27*	**1,697,617**	1,697,617
Reserves		**3,551,167**	9,098,833
Equity attributable to equity shareholders of the Company		**5,248,784**	10,796,450
Non-controlling interests		**392,480**	333,269
Total equity		**5,641,264**	11,129,719
Total liabilities and equity		**10,048,709**	17,356,486

The financial statements on pages 21 to 74 were authorised for issue by the board of directors on 10 September 2015 and were signed on its behalf by:

Stephen Sin Mo KOO, Director **Chun Pan WONG, Director**

UNIVISION ENGINEERING LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Notes	2015 £	2014 £
ASSETS			
Non-current assets			
Plant and equipment	*16*	**32,248**	17,297
Interests in subsidiaries	*18*	**106,384**	2,767,277
Trade and other receivables	*21*	**2,973,435**	-
Total non-current assets		**3,112,067**	2,784,574
Current assets			
Inventories	*19*	**841,910**	744,381
Trade and other receivables	*21*	**1,839,318**	1,868,816
Bank deposits	*22*	**251,641**	223,865
Cash and cash equivalents	*22*	**1,044,484**	160,210
Total current assets		**3,977,353**	2,997,272
Total assets		**7,089,420**	5,781,846
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*23*	**2,257,803**	1,444,776
Obligations under finance lease	*26*	**7,694**	6,844
Total current liabilities		**2,265,497**	1,451,620
Non-current liability			
Obligations under finance lease	*26*	**641**	7,415
Total liabilities		**2,266,138**	1,459,035
Equity			
Share capital	*27*	**1,697,617**	1,697,617
Reserves		**3,125,665**	2,625,194
Total equity		**4,823,282**	4,322,811
Total liabilities and equity		**7,089,420**	5,781,846

The financial statements on pages 21 to 74 were authorised for issue by the board of directors on 10 September 2015 and were signed on its behalf by:

Stephen Sin Mo KOO, Director **Chun Pan WONG, Director**

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2015

	Attributable to the equity shareholders of the Company									
	Share capital	Share premium	Retained earnings	Special capital reserve “A”	Special capital reserve “B”	Statutory surplus reserves	Translation reserve	Sub-total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£
		(Note 1)		*(Note 2)*	*(Note 3)*					
Balance at 1 April 2013	1,697,617	2,192,640	2,349,944	155,876	143,439	7,927	2,620,968	9,168,411	284,381	9,452,792
Comprehensive income:										
Profit or loss	-	-	2,820,587	-	-	-	-	2,820,587	84,143	2,904,730
Other comprehensive income/(loss):										
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	(949,990)	(949,990)	(35,255)	(985,245)
Total other comprehensive loss for the year, net of tax	-	-	2,820,587	-	-	-	(949,990)	(949,990)	(35,255)	(985,245)
Total comprehensive income	-	-	2,820,587	-	-	-	(949,990)	1,870,597	48,888	1,919,485
Dividend paid in respect of 2013 year	-	-	(242,558)	-	-	-	-	(242,558)	-	(242,558)
Total transactions with owners, recognised directly in equity	-	-	(242,558)	-	-	-	-	(242,558)	-	(242,558)
Balance at 31 March 2014	1,697,617	2,192,640	4,927,973	155,876	143,439	7,927	1,670,978	10,796,450	333,269	11,129,719
Comprehensive income:										
Profit or loss	-	-	59,937	-	-	-	-	59,937	52,618	112,555
Other comprehensive income:										
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	18,374	18,374	32,965	51,339
Total other comprehensive income for the year, net of tax	-	-	-	-	-	-	18,374	18,374	32,965	51,339
Total comprehensive income	-	-	59,937	-	-	-	18,374	78,311	85,583	163,894
Transfer to statutory surplus reserves	-	-	(6,926)	-	-	6,926	-	-	-	-
Effect on demerger	-	-	(4,014,851)	-	-	6,850	(722,990)	(4,730,991)	-	(4,730,991)
De-merger by dividend in specie	-	-	(791,425)	-	-	-	-	(791,425)	-	(791,425)
Dividend distributed by a subsidiary	-	-	-	-	-	-	-	-	(26,372)	(26,372)
Dividend paid in respect of 2014 year	-	-	(103,561)	-	-	-	-	(103,561)	-	(103,561)
Total transactions with owners, recognised directly in equity	-	-	(4,916,763)	-	-	13,776	(722,990)	(5,625,977)	(26,372)	(5,652,349)
Balance at 31 March 2015	1,697,617	2,192,640	71,147	155,876	143,439	21,703	966,362	5,248,784	392,480	5,641,264

The currency translation from Hong Kong Dollars (“HK$”) to the presentation currency of Sterling Pound (“£”) used in the financial statements has no impact on the available distributable reserves of the Company at 31 March 2015.

Notes:

1. Share premium

   The Company may by resolution reduce the share premium account in any manner authorised and subject to any conditions prescribed by law.

2. Special capital reserve “A”

   Pursuant to the Order of the High Court dated 20 November 2004, any future recoveries of the Company’s accumulated provision for obsolete inventories and provision for bad debts amounting to HK$1,935,002 and HK$3,592,540 respectively will be credited to non-distributable special capital reserve “A” account.

3. Special capital reserve “B”

   By a special resolution passed on 30 July 2004 and Order of the High Court dated 20 November 2004, the authorised and issued capital of the Company was reduced from HK$159,245,000 divided into 31,849 ordinary shares of HK$5,000 each to HK$16,405,000 divided into 3,281 ordinary shares of HK$5,000 each. The reduction of capital was effected by cancellation of 28,568 ordinary shares of HK$5,000 each in the issued and paid up share capital of the Company. The Company established a non-distributable special capital reserve “B” account into which HK$2,071,307 was credited as a result of the capital reduction.

UNIVISION ENGINEERING LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2015

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Accumulated losses	Special capital reserve "A"	Special capital reserve "B"	Translation reserve	Total equity
	£	£ (Note 1)	£	£ (Note 2)	£ (Note 3)	£	£
Balance at 1 April 2013	1,697,617	2,192,640	(2,741,866)	155,876	143,439	608,479	2,056,185
Comprehensive income:							
Profit or loss	-	-	2,807,923	-	-	-	2,807,923
Other comprehensive loss:							
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(298,739)	(298,739)
Total other comprehensive loss for the year, net of tax	-	-	-	-	-	(298,739)	(298,739)
Total comprehensive income	-	-	2,807,923	-	-	(298,739)	2,509,184
Dividend paid in respect of 2013 year	-	-	(242,558)	-	-	-	(242,558)
Total transactions with owners, recognised directly in equity	-	-	(242,558)	-	-	-	(242,558)
Balance at 31 March 2014	1,697,617	2,192,640	(176,501)	155,876	143,439	309,740	4,322,811
Comprehensive income:							
Profit or loss	-	-	789,219	-	-	-	789,219
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	-	-	-	-	-	606,238	606,238
Total other comprehensive income for the year, net of tax	-	-	-	-	-	606,238	606,238
Total comprehensive income	-	-	789,219	-	-	606,238	1,395,457
Demerger by dividend in specie	-	-	(791,425)	-	-	-	(791,425)
Dividend paid in respect of 2014 year	-	-	(103,561)	-	-	-	(103,561)
Total transactions with owners, recognised directly in equity	-	-	(894,986)	-	-	-	(894,986)
Balance at 31 March 2015	1,697,617	2,192,640	(282,268)	155,876	143,439	915,978	4,823,282

The currency translation from Hong Kong Dollars ("HK$") to the presentation currency of Sterling Pound ("£") used in the financial statements has no impact on the available distributable reserves of the Company at 31 March 2015.

Notes:

1. Share premium

   The Company may by resolution reduce the share premium account in any manner authorised and subject to any conditions prescribed by law.

2. Special capital reserve "A"

   Pursuant to the Order of the High Court dated 20 November 2004, any future recoveries of the Company's accumulated provision for obsolete inventories and provision for bad debts amounting to HK$1,935,002 and HK$3,592,540 respectively will be credited to non-distributable special capital reserve "A" account.

3. Special capital reserve "B"

   By a special resolution passed on 30 July 2004 and Order of the High Court dated 20 November 2004, the authorised and issued capital of the Company was reduced from HK$159,245,000 divided into 31,849 ordinary shares of HK$5,000 each to HK$16,405,000 divided into 3,281 ordinary shares of HK$5,000 each. The reduction of capital was effected by cancellation of 28,568 ordinary shares of HK$5,000 each in the issued and paid up share capital of the Company. The Company established a non-distributable special capital reserve "B" account into which HK$2,071,307 was credited as a result of the capital reduction.

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2015

	Notes	**2015**	2014
		£	£
Cash flows from operating activities			
Profit before income tax		**130,189**	2,918,229
Adjustments for:			
Interest expense	*12*	**26,401**	20,787
Interest income	*8*	**(1,223)**	(1,293)
Depreciation of plant and equipment	*16*	**36,172**	49,086
Impairment loss recognised on trade and other receivables	*21*	**40,594**	99,907
Allowance for obsolete inventories	*19*	**-**	9,660
Reversal of allowance for obsolete inventories	*19*	**(25,427)**	-
Write-off of inventories	*9*	**-**	47,444
(Gain)/loss on disposal of plant and equipment	*9*	**(155)**	2,675
Gain from forgiveness of debt	*9*	**-**	(2,496,353)
		206,551	650,142
Changes in operating assets and liabilities:			
Decrease/(increase) in inventories		**11,652**	(84,614)
Increase in trade and other receivables		**(676,696)**	(125,309)
Increase in trade and other payables		**865,642**	121,747
Cash generated from operations		**407,149**	561,966
Income tax paid		**(39,120)**	(13,360)
Net cash generated from operating activities		**368,029**	548,606
Cash flows from investing activities			
Interest received	*8*	**1,223**	1,293
Purchase of plant and equipment		**(35,554)**	(16,002)
Proceeds from disposal of plant and equipment		**673**	365
Net cash used in investing activities		**(33,658)**	(14,344)
Cash flows from financing activities			
Interest paid	*12*	**(26,401)**	(20,787)
Dividend paid to shareholders of the Company	*15*	**(95,137)**	(242,558)
Dividend paid to non-controlling interests		**(27,342)**	-
Repayment of finance lease liabilities		**(7,068)**	(7,162)
Proceeds from loan and borrowings		**575,816**	-
Repayment of loan and borrowings		**-**	(402,126)
Net cash generated from/(used in) financing activities		**419,868**	(672,633)
Net increase/(decrease) in cash and cash equivalents		**754,239**	(138,371)
Cash and cash equivalents at beginning of year		**379,860**	585,046
Effect of foreign exchange rate changes		**87,608**	(66,815)
Cash and cash equivalents at end of year	*22*	**1,221,707**	379,860

UNIVISION ENGINEERING LIMITED
COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2015

	Notes	**2015**	2014
		£	£
Cash flows from operating activities			
Profit before income tax		**789,219**	2,807,923
Adjustments for:			
Interest expense		**1,149**	1,164
Interest income		**(869)**	(986)
Depreciation of plant and equipment	*16*	**14,605**	16,494
Write-off of inventories	*9*	**-**	47,444
Loss on disposal of plant and equipment		**38**	2,675
Reversal of impairment loss		**(727,046)**	-
Gain from forgiveness of debt	*9*	**-**	(2,496,353)
		77,096	378,361
Changes in operating assets and liabilities:			
Increase in inventories		**(4,750)**	(61,579)
Decrease/(increase) in trade and other receivables		**199,516**	(587,051)
Decrease in amounts due from former subsidiaries		**28,302**	50,213
Increase in trade and other payables		**582,765**	208,025
Net cash generated from/ (used in) operating activities		**882,929**	(12,031)
Cash flows from investing activities			
Interest received		**869**	986
Purchase of plant and equipment		**(26,886)**	(5,715)
Proceeds from disposal of plant and equipment		**480**	365
Net cash used in investing activities		**(25,537)**	(4,364)
Cash flows from financing activities			
Interest paid		**(1,149)**	(1,164)
Dividend paid to shareholders of the Company		**(95,137)**	(242,558)
Repayment of finance lease liabilities		**(7,068)**	(7,162)
Net cash used in financing activities		**(103,354)**	(250,884)
Net increase/(decrease) in cash and cash equivalents		**754,038**	(267,279)
Cash and cash equivalents at beginning of year		**160,210**	456,758
Effect of foreign exchange rate changes		**130,236**	(29,269)
Cash and cash equivalents at end of year	*22*	**1,044,484**	160,210

1. GENERAL

UniVision Engineering Limited ("the Company") is incorporated in Hong Kong with limited liability and its shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM"). The address of the registered office is Unit 1A, 2/F., Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The financial statements are presented in Sterling Pound ("£"), which is the presentation currency of the Company.

The Company acts as an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are engaged in the supply, design, installation and maintenance of closed circuit television and surveillance systems and the sale of security system related products. The electronic and mechanical business was discontinued and demerged on 31 March 2015 and further details are presented in note 31 to the financial statements. The principal activities of its subsidiaries are set out in note 18 to the financial statements.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost convention basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4 in the financial statements.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) New and revised IFRSs that have been issued and effective

The following standards have been adopted by the Group and the Company for the first time for the year ended 31 March 2015:

- Amendments to IAS 32 "*Offsetting Financial Assets and Financial Liabilities*" clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments require retrospective application.

- Amendments to IAS 36 "*Recoverable amount disclosures for non-financial assets*" remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 "*Fair Value Measurements*". The amendments require retrospective application.

- Amendments to IAS 39 "*Novation of derivatives and continuation of hedge accounting*" provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments require retrospective application.

- IFRIC 21 "*Levies*" addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligation event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

(b) New and revised IFRSs that have been issued but are not yet effective

The following new and revised IFRSs, potentially relevant to the Group's and the Company's operations, have been issued and are mandatory for adoption by the Group and the Company for accounting periods beginning on or after 1 January 2015 or later periods. However, the Group and the Company have not early adopted them.

- IFRS 9 (2014) "*Financial instruments*"
- IFRS 14 "*Regulatory deferral accounts*"
- IFRS 15 "*Revenue from contracts with customers*"
- Amendments to IFRS 11 "*Accounting for acquisitions of interests in joint operations*"
- Amendments to IAS 16 and IAS 38 "*Clarification of acceptable methods of depreciation and amortisation*"
- Amendments to IAS 1 "*Disclosure initiative*"
- Amendments to IAS 19 "*Defined benefit plans: employee contributions*"
- Amendments to IAS 27 "*Equity method in separate financial statements*"
- Amendments to IFRS 10 and IAS 28 "*Sale or contribution of assets between an investor and its associate or joint venture*"
- Amendments to IFRS 10, IFRS 12 and IAS 28 "*Investment entities: applying the consolidation exemption*"
- Annual improvements to IFRSs 2010-2012 cycle
- Annual improvements to IFRSs 2011-2013 cycle
- Annual improvements to IFRSs 2012-2014 cycle

The Group and the Company have not applied any new or revised IFRSs that are not yet effective for the accounting year ended 31 March 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

(b) Separate financial statements

In the individual Company's statement of financial position, interests in subsidiaries are accounted for at cost less impairment loss. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary for the period the dividend is declared or, if the carrying amount of investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements, of the investee's net assets including goodwill.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (continued)

(c) Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interest's proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

4.2 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's Executive Director, Mr. Stephen Sin Mo KOO is responsible for allocating resources and assessing performance of the operating segments.

4.3 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated and Company financial statements are presented in Sterling Pound ("£"), which is the Group's presentation currency. As the Company is listed on AIM, the directors consider that this presentation is more useful for its current and potential investors.

The functional currency of the Group's entity is summarised as follows:

1.	UniVision Engineering Limited	Hong Kong Dollars	("HK$")
2.	T-Com Technology Co. Limited	New Taiwan Dollars	("NTD")
3.	Leader Smart Engineering Limited	Hong Kong Dollars	("HK$")
4.	Leader Smart Engineering (Shanghai) Limited ("LSSH")	Renminbi Yuan	("RMB")

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Foreign currency (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and bank balances are presented in the statement of comprehensive income within “finance income or cost”. All other foreign exchange gains and losses are presented in the statement of comprehensive income within “administrative expense” or “other income”.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences in respect of changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of loan and borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Plant and equipment

Plant and equipment is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives as follows:

Furniture and fixtures	3 - 5 years
Computer equipment	2 - 5 years
Motor vehicles	3 years
Research assets	3 - 5 years

Fully depreciated plant and equipment is retained in the financial statements until the items are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

4.5 Goodwill

Goodwill represents the excess of:

(a) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(b) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (b) is greater than (a), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment. On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Impairment of assets

The carrying amounts of non-current assets, such as plant and equipment, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds the recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed (including those provided during the interim financial reporting).

A reversal of an impairment loss is limited to the asset’s carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

4.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and comprises design costs, raw materials, direct labour, other direct costs and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4.8.1 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of loans and receivables below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

	Type of item	Nature and terms of item
1.	Bills receivable	Certain customers pay accounts receivable with bills receivable from Taiwan banks with maturities less than twelve months. These are also referred to as "bankers" acceptances, which are unsecured, interest-free and to be matured in twelve months.
2.	Loans	Unsecured temporary advances to the subsidiaries, which are interest-free and eliminated upon consolidation.
3.	Other receivables	They include: a. Retention receivable under warranty provision among certain construction contracts for a period of twelve months b. Accrued income from maintenance contracts, which are billed or collected within twelve months.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial instruments (continued)

4.8.1 Financial assets (continued)

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or

- breach of contract, such as default or delinquency in interest and principal payments; or

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the loans and receivables’ original effective interest rate.

The carrying amount of loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that, the carrying amount of the loan and receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial instruments (continued)

4.8.2 Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables and loan and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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 (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.8.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of bad and doubtful debts.

4.10 Bank deposits

They represent bank deposits with maturities greater than three months, which are restricted as bank deposits held as collateral for performance bonds issued by the bank to customers.

4.11 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.12 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

4.13 Interest-bearing borrowings

Interest-bearing borrowings are initially recognised at fair value less transaction costs. Subsequent to initial recognition, the interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of comprehensive income over the period of the borrowings together with any interest and fees payable using the effective interest method.

4.14 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is shown net of business tax, value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Construction contracts

Revenue from construction contracts is recognised when the outcome of a construction contract can be estimated reliably:

- revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

- revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Maintenance contracts

Revenue from maintenance contracts is recognised on a straight line basis over the term of the maintenance contract.

(iii) Product sales

Revenue from product sales is recognised on the transfer of risks and rewards of ownership, which generally coincides with the delivery of goods to customers and the passing of title to customers.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Contracts in progress at the end of the reporting period are recorded in the statement of financial position at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented under the caption of "Trade and other receivables" or "Trade and other payables" in the statement of financial position as the "Amounts due from customers for contracts-in-progress" (as an asset) or the "Amounts due to customers for contracts-in-progress" (as a liability), as applicable. Progress billings not yet paid by the customer are included in the statement of financial position. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as "Advances received".

4.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Employee benefit

These comprise short term employee benefits and contributions to defined contribution retirement plans.

Short-term employee benefits, including salaries, annual bonuses, paid annual leave, leave passage, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the defined contribution scheme are charged to profit or loss when incurred.

4.20 Income tax

Income tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.21 Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the “guarantor”) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss and provisions are recognised in accordance with (ii) below if and when (1) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (2) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

4.22 Dividend distributions

Dividend distributions to the Company’s shareholders are recognised as liabilities in the Group’s and the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

4.23 Events after the reporting period

Events after the reporting period that provide additional information about the Group’s and the Company’s position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgements in applying accounting policies

In the process of applying the accounting policies, Management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(i) Estimation of contract costs

Estimated costs to complete contracts are judged by the Directors through the application of their experience and knowledge of the industry in which the Group operates. However, contract performance can be difficult to predict accurately. The Directors believe that contract budgets do not deviate materially from actual costs incurred due to a strong cost control system with regular reviews of budgets which highlight any incidences that could affect estimated costs to completion.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty (continued)

(ii) Impairment of trade and other receivables

The estimation of impairment of trade and other receivables includes an assessment of recoverability of individual account balances and a review of ageing analysis of trade and other receivables by the Directors. The Directors will also review the credit history of customers in assessing the recoverability of trade and other receivables. When any indication comes to their attention that a trade and other receivable might not be recovered in full, impairment will be made and recognised as an expense in the consolidated statement of comprehensive income. As at 31 March 2015, the total carrying amount of trade and other receivables was £4,323,003 (2014: £14,299,649).

(iii) Plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(iv) Income taxes

The Group is subject to income tax in different jurisdiction in Hong Kong, Taiwan and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As at 31 March 2015, the Group has unused tax losses of £4,746,391 (2014: £4,561,755) available for offset against future profits. A deferred tax asset of £783,154 (2014: £752,681) has not been recognised in respect of the unused tax losses. In cases where there are future profits generated to utilise the tax losses, a material deferred tax asset may arise, which would be recognised in the consolidated statement of comprehensive income for the period in which such future profits are recorded.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015	2014
	£	£
Financial assets:		
Loans and receivables		
- Trade and other receivables	**4,323,003**	14,299,649
- Bank deposits	**251,641**	223,865
- Cash and bank balances	**1,221,707**	379,860
Financial liabilities:		
- Trade and other payables	**3,242,616**	4,544,953
- Loan and borrowings	**1,122,052**	440,582
- Obligation under finance lease	**8,335**	14,259

(b) Financial risk management objectives and policies

The Group's major financial instruments include loan and borrowings, trade and other receivables and trade and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, credit risk and liquidity risk. The policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Market risk

(1) Currency risk

Certain entities in the Group have foreign currency transactions and have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk. The Company has foreign currency transactions, which expose the Company to foreign currency risk.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities, mainly represented by trade and other receivables, cash and bank balances, trade and other payables and loan and borrowings, at the end of the reporting period are as follows:

	The Group				**The Company**			
	Assets		Liabilities		Assets		Liabilities	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
NTD	**123,413,717**	77,729,425	**100,013,562**	56,222,390	-	-	-	-
RMB	**1,129**	113,969,896	**5,009,660**	42,914,220	-	-	**5,009,660**	5,081,515
USD	**54,560**	23,444	**21,320**	-	-	-	-	-
HK$	**34,982,030**	29,993,818	**19,577,077**	12,218,181	**34,980,407**	28,884,579 `	**19,481,353**	12,034,097

The Group currently does not have any policy on hedges of foreign currency risk. However, management monitors the foreign currency risk exposure and will consider hedging significant foreign currency risk should the need arise.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

(1) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in Sterling against the relevant foreign currencies and all other variables were held constant. 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2014: 5%) change in foreign currency rates. A positive/(negative) number indicates a decrease/(increase) in post-tax profit/(loss) for the year when Sterling strengthens 5% (2014: 5%) against the relevant foreign currencies. For a 5% (2014: 5%) weakening of Sterling against the relevant currency, there would be an equal but opposite impact on the post-tax profit/(loss) for the year.

	2015	2014
	£	£
NTD		
Post-tax profit for the year	26,609	22,310
RMB		
Post-tax (loss)/profit for the year	(28,670)	361,753
USD		
Post-tax profit for the year	1,188	746
HK$		
Post-tax profit for the year	70,595	72,468

(2) Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to fixed rate bank deposits and borrowings at fixed rates. The Group and the Company is exposed to cash flow interest rate risk due to fluctuation of the prevailing market interest rate on certain bank borrowings which carry at prevailing market interest rates as shown in note 25. The Group currently does not have an interest rate hedging policy. However, Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The Group's and the Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

(2) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the change in interest rates and the exposure to interest rates for the non-derivative financial liabilities at the end of the reporting period and on the assumption that the amount outstanding at the end of the reporting period was outstanding for the whole year and held constant throughout the financial year. The 25 basis points increase or decrease represents the Management's assessment of a reasonably possible change in interest rates over the period until the next fiscal year. The analysis is performed on the same basis for 2014.

For the year ended 31 March 2015, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's post-tax profit for the year would increase/decrease by approximately £2,117 (2014: £1,425).

(ii) Credit risk

At 31 March 2015, the Group's and the Company's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise the credit risk, the Management of the Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debts are usually due within 90 days from the date of billing.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk. At the end of the reporting period, the Group had no significant concentrations of credit risk where individual trade and other receivables balance exceed 10% of the total trade and other receivables at the end of the reporting period.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Also, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Further quantitative disclosures in respect of the Group's and the Company's exposure to credit risk arising from trade and other receivables are set out in note 21.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk

In managing the liquidity risk, the Group's policy is to regularly monitor and maintain an adequate level of cash and cash equivalents determined by Management to finance the Group's operations. Management also needs to ensure the continuity of funding for both the short and long terms, and to mitigate the effects of cash flow fluctuation. At 31 March 2015, the Group had aggregate banking facilities of £2,412,189 (2014: £2,194,840), of which £1,290,137 were unused (2014: £1,754,258).

The following table details the contractual maturities of the Group's and the Company's financial liabilities at the end of the reporting period, which is based on the undiscounted cash flows and the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

	2015					
	Weighted average effective interest rate	Within 1 year or on Demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flow	Carrying amount at 31 March 2015
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Loan and borrowings	3.64% - 3.76%	1,127,117	-	-	1,127,117	1,122,052
Trade and other payables		3,242,616	-	-	3,242,616	3,242,616
Obligations under finance lease	3.25%	8,944	745	-	9,689	8,335
		4,378,677	745	-	4,379,422	4,373,003
Financial guarantee						
Maximum amount guaranteed		-	-	-	-	-

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

The Group

	2014					
	Weighted average effective interest rate %	Within 1 year or on Demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	Total undiscounted cash flow £	Carrying amount at 31 March 2014 £
Non-derivative financial liabilities:						
Loan and borrowings	3.64% - 3.76%	445,213	-	-	445,213	440,582
Trade and other payables		4,544,953	-	-	4,544,953	4,544,953
Obligations under finance lease	3.25%	7,956	7,956	664	16,576	14,259
		4,998,122	7,956	664	5,006,742	4,999,794
Financial guarantee Maximum amount guaranteed		7,860,000	-	-	7,860,000	7,860,000

The Company

	2015					
	Weighted average effective interest rate %	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	Total undiscounted cash flow £	Carrying Amount at 31 March 2015 £
Non-derivative financial liabilities:						
Loan and borrowings		-	-	-	-	-
Trade and other payables		2,257,803	-	-	2,257,803	2,257,803
Obligations under finance lease	3.25%	8,944	745	-	9,689	8,335
		2,266,747	745	-	2,267,492	2,266,138

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

The Company

	2014					
	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flow	Carrying Amount at 31 March 2014
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Loan and borrowings		-	-	-	-	-
Trade and other payables		1,444,776	-	-	1,444,776	1,444,776
Obligations under finance lease	3.25%	7,956	7,956	664	16,576	14,259
		1,452,732	7,956	664	1,461,352	1,459,035

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Balances with subsidiaries are unsecured, interest free and have no fixed repayment terms.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values at the end of the reporting period.

(d) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with a higher level of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which includes bank borrowings and other financial liabilities) less bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Capital risk management (continued)

During 2015, the Group's strategy, which was unchanged from 2014, was to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Neither the Company nor any of its subsidiary undertakings are subject to externally imposed capital requirements.

The net debt-to-adjusted capital ratios of the Group and the Company at the end of the reporting period were as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Current liabilities				
Trade and other payables	**3,242,616**	4,544,953	**2,257,803**	1,444,776
Loan and borrowings	**1,122,052**	440,582	**-**	-
Current tax liability	**34,442**	1,226,973	**-**	-
Obligation under finance lease	**7,694**	6,844	**7,694**	6,844
	4,406,804	6,219,352	**2,265,497**	1,451,620
Non-current liabilities				
Obligation under finance lease	**641**	7,415	**641**	7,415
Total debt	**4,407,445**	6,226,767	**2,266,138**	1,459,035
Less: cash and bank balances	**1,221,707**	379,860	**1,044,484**	160,210
Net debt	**3,185,738**	5,846,907	**1,221,654**	1,298,825
Total equity	**5,641,264**	11,129,719	**4,823,282**	4,322,811
Net debt-to-adjusted capital ratio	**56%**	53%	**25%**	30%

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker, being the chief executive officer, that are used to make strategic decisions.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable operating segments are summarised as follows:

- Security and surveillance
- Electrical and mechanical #

Electrical and mechanical business was discontinued in the current year and demerged from the Group by distribution of a dividend in specie to its shareholders on 31 March 2015 (see note 31).

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segment:

	Year ended 31 March 2015		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Segment revenue by major products and services:			
- Construction contracts	**3,334,783**	**51,129**	**3,385,912**
- Maintenance contracts	**2,778,722**	**-**	**2,778,722**
- Product sales	**600,486**	**-**	**600,486**
Revenue from external customers	**6,713,991**	**51,129**	**6,765,120**
Segment profit/(loss)	**156,590**	**(30,657)**	**125,933**
Finance costs	**(26,401)**	**-**	**(26,401)**
Profit/(loss) before income tax	**130,189**	**(30,657)**	**99,532**

	Year ended 31 March 2014		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Segment revenue by major products and services:			
- Construction contracts	5,634,350	71,158	5,705,508
- Maintenance contracts	2,564,746	-	2,564,746
- Product sales	655,706	-	655,706
Revenue from external customers	8,854,802	71,158	8,925,960
Segment profit/(loss)	3,018,730	(79,714)	2,939,016
Finance costs	(20,787)	-	(20,787)
Profit/(loss) before income tax	2,997,943	(79,714)	2,918,229

7. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

	At 31 March 2015		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Segment assets	**10,048,709**	**-**	**10,048,709**
Unallocated assets	**-**	**-**	**-**
Consolidated total assets	**10,048,709**	**-**	**10,048,709**
Segment liabilities	**4,407,445**	**-**	**4,407,445**
Unallocated liabilities	**-**	**-**	**-**
Consolidated total liabilities	**4,407,445**	**-**	**4,407,445**

	At 31 March 2014		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Segment assets	4,913,700	12,442,786	17,356,486
Unallocated assets	-	-	-
Consolidated total assets	4,913,700	12,442,786	17,356,486
Segment liabilities	2,567,164	3,659,603	6,226,767
Unallocated liabilities	-	-	-
Consolidated total liabilities	2,567,164	3,659,603	6,226,767

7. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets and not allocated to any operating segments:

	Year ended 31 March 2015		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Capital expenditure	**35,554**	**-**	**35,554**
Depreciation	**36,172**	**-**	**36,172**

	Year ended 31 March 2014		
	Security and surveillance	Electrical and mechanical #	Total
	£	£	£
Capital expenditure	16,002	-	16,002
Depreciation	49,086	-	49,086

* Capital expenditure represented plant and equipment.

(d) Geographical segments

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers and assets are attributed to the segments based on the location of the assets.

No further geographical segment information is presented as the Group's revenue is materially derived from customers based in one geographic segment comprising Hong Kong, Macau, Taiwan and the PRC, and all of the Group's assets are located in the same geographic segment.

(e) Information about major customers

Revenues of approximately £1,695,699 (2014: £4,485,347) are derived from one single external customers (2014: three), who contributed to 10% or more of the Group's revenue for 2015 fiscal year.

8. OTHER INCOME

	2015	2014
	£	£
Interest income	**1,223**	1,293
Sundry income	**1,703**	9,225
	2,926	10,518

9. OTHER GAINS AND LOSSES

	2015	2014
	£	£
Gain/(loss) on disposal of plant and equipment	**155**	(2,675)
Foreign exchange gains	**1,588**	7,601
Impairment loss recognised on trade and other receivables	**(40,594)**	(99,907)
Recovery from bad debts (note 21(a))	**16,508**	44,617
Reversal of allowance for obsolete inventories	**25,427**	-
Write-off of inventories	**-**	(47,444)
Gain from forgiveness of debt	**-**	2,496,353
	3,084	2,398,545

10. EXPENSES BY NATURE

	2015	2014
	£	£
Cost of inventories recognised as expenses	**2,215,363**	3,342,475
Sub-contracting costs	**1,582,967**	2,264,316
Allowance for obsolete inventories	**-**	9,660
Depreciation – leased plant and equipment	**8,835**	10,742
Depreciation – owned plant and equipment	**27,340**	38,344
Operating lease charges – minimum lease payments	**138,273**	155,669
Research and development costs	**13,204**	11,037
Selling and distribution cost	**23,678**	24,039
Other expenses	**700,968**	664,191
Staff costs, including directors' remuneration		
- Wages and salaries	**1,717,344**	1,766,704
- Pension scheme contributions	**98,171**	70,788
	1,815,515	1,837,492
Auditor's remuneration		
- audit services (parent company)	**37,268**	38,042
Total cost of sales, selling and distribution and administrative expenses	**6,563,411**	8,396,007

11. DIRECTORS' REMUNERATION

Directors' remuneration for the year is disclosed as follows:

	Salaries, bonuses and allowances	**Pension scheme contributions**	**2015**
	£	£	**£**
Executive directors			
Stephen Sin Mo KOO	23,996	120	24,116
Yip Tak CHAN (appointed on 3 October 2014)	23,855	720	24,575
Chun Pan WONG	54,633	1,400	56,033
Danny Kwok Fai YIP	43,706	1,400	45,106
	146,190	3,640	149,830
Non-executive director			
Nicholas James LYTH	11,518	-	11,518
	157,708	3,640	161,348

	Salaries, bonuses and allowances	Pension scheme contributions	2014
	£	£	£
Executive directors			
Stephen Sin Mo KOO	-	-	-
Chun Pan WONG	49,102	1,216	50,318
Chun Hung WONG (resigned on 31 December 2013)	48,630	911	49,541
Danny Kwok Fai YIP	42,369	1,216	43,585
	140,101	3,343	143,444
Non-executive director			
Nicholas James LYTH	11,671	-	11,671
	151,772	3,343	155,115

12. FINANCE COSTS

	2015	2014
	£	£
Interest on bank loans and other borrowings wholly repayable within one year	**25,252**	19,623
Finance charge on obligation under finance lease	**1,148**	1,164
	26,400	20,787

13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Income tax in the consolidated statement of comprehensive income:

	2015	2014
	£	£
Income tax (credit)/expense		
Hong Kong profits tax	**-**	-
PRC income tax	**-**	-
Taiwan income tax	**(13,023)**	**13,499**
	(13,023)	**13,499**

No Hong Kong profits tax has been provided for in the financial statements as the Company has unused tax losses to offset against its taxable profit during the year.

Taxes for subsidiaries are calculated using the rates prevailing in their local jurisdictions, whereas PRC income tax rate is charged at 25% (2014: 25%) and Taiwan income rate is charged at 17% (2014: 17%).

(b) Reconciliation between income tax expense and accounting profit at the applicable tax rates:

	2015	2014
	£	£
Profit before income tax	**130,189**	2,918,229
Notional tax on profit before income tax, calculated at the rates applicable to profit in the tax jurisdictions concerned	**26,778**	480,655
Tax effect of non-taxable income	**(7,272)**	(421,138)
Tax effect of non-deductible expenses	**14,647**	33,618
Tax effect of temporary differences not recognised	**(2,403)**	(2,341)
Utilisation of tax losses unrecognised deferred tax assets	**(22,361)**	(58,541)
Tax adjustments	**(22,412)**	(18,754)
Income tax (credit)/expense	**(13,023)**	13,499

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company for the year of £59,937 from continuing and discontinued operations (2014: £2,820,587) and for the year of £90,594 (2014: £2,900,301), and the weighted average of 383,677,323 (2014: 383,677,323) ordinary shares in issue during the year.

There were no potential dilutive instruments at either financial year end.

15. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2015 £	2014 £
Special dividend declared and payable of 0.2 pence per ordinary share	**791,425**	-
Final dividend proposed after the end of the reporting period of 0.034 pence per ordinary share (2014: 0.024 pence per ordinary share)	**130,286**	92,571

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015 £	2014 £
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.024 pence per ordinary share (2014: 0.063 pence per ordinary share)	**130,561**	242,558

16. PLANT AND EQUIPMENT

The Group

	Furniture and fixtures	Computer equipment	Motor vehicles	Research assets	Total
	£	£	£	£	£
Cost					
At 1 April 2013	207,099	168,190	152,332	571,194	1,098,815
Additions	9,049	6,953	-	-	16,002
Disposals	-	(2,440)	(6,079)	-	(8,519)
Foreign translation difference	(22,693)	(17,803)	(15,009)	(61,994)	(117,499)
At 31 March 2014	193,455	154,900	131,244	509,200	988,799
At 1 April 2014	193,455	154,900	131,244	509,200	988,799
Additions	4,691	6,229	24,633	-	35,553
Disposals	(122)	-	(5,288)	-	(5,410)
Foreign translation difference	19,394	16,452	15,851	48,977	100,674
At 31 March 2015	217,418	177,581	166,440	558,177	1,119,616
Accumulated depreciation					
At 1 April 2013	173,282	162,944	109,000	566,756	1,011,982
Charge for the year	17,487	3,854	23,528	4,217	49,086
Disposals	-	(2,440)	(3,039)	-	(5,479)
Foreign translation difference	(19,624)	(17,114)	(12,165)	(61,773)	(110,676)
At 31 March 2014	171,145	147,244	117,324	509,200	944,913
At 1 April 2014	171,145	147,244	117,324	509,200	944,913
Charge for the year	15,610	5,001	15,561	-	36,172
Disposals	(122)	-	(4,770)	-	(4,892)
Foreign translation difference	17,878	15,470	13,469	48,977	95,794
At 31 March 2015	204,511	167,715	141,584	558,177	1,071,987
Net book value					
At 31 March 2015	12,907	9,866	24,856	-	47,629
At 31 March 2014	22,310	7,656	13,920	-	43,886

At the end of the reporting period, the net book value of motor vehicle held under finance lease of the Group and the Company was £8,835 (2014: £8,556).

16. PLANT AND EQUIPMENT (CONTINUED)

The Company

	Furniture and fixtures	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2013	14,210	37,980	67,706	119,896
Additions	4,305	1,410	-	5,715
Disposals	-	-	(6,079)	(6,079)
Foreign translation difference	(1,471)	(3,481)	(5,824)	(10,776)
At 31 March 2014	17,044	35,909	55,803	108,756
At 1 April 2014	17,044	35,909	55,803	108,756
Additions	276	6,229	20,381	26,886
Disposals	-	-	(2,960)	(2,960)
Foreign translation difference	2,139	5,007	8,466	15,612
At 31 March 2015	19,459	47,145	81,690	148,294
Accumulated depreciation				
At 1 April 2013	12,783	33,485	40,107	86,375
Charge for the year	1,008	2,173	13,313	16,494
Disposals	-	-	(3,039)	(3,039)
Foreign translation difference	(1,196)	(3,110)	(4,065)	(8,371)
At 31 March 2014	12,595	32,548	46,316	91,459
At 1 April 2014	12,595	32,548	46,316	91,459
Charge for the year	1,307	3,000	10,298	14,605
Disposals	-	-	(2,442)	(2,442)
Foreign translation difference	1,678	4,304	6,442	12,424
At 31 March 2015	15,580	39,852	60,614	116,046
Net book value				
At 31 March 2015	3,879	7,293	21,076	32,248
At 31 March 2014	4,449	3,361	9,487	17,297

17. GOODWILL

The Group

	£
Cost	
At 31 March 2014 and 2015	961,845
Less: accumulated impairment loss	
At 31 March 2014 and 2015	936,015
Net carrying amount	
At 31 March 2014 and 2015	25,830

Impairment test for cash-generating unit containing goodwill

Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to operating segment as follows:

	2015	2014
	£	£
Security and surveillance	**25,830**	25,830

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a twelve month period. A discount rate of 15% has been used for the value-in-use calculations.

Key assumptions used for value-in-use calculations:

	2015	2014
Gross margin	**25%**	20%
Growth rate	**15%**	11%

Management determined the budgets based on their experience and knowledge in the construction contracts operations. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

Based on the impairment test performed, no impairment loss is recognised for the year (2014: Nil).

18. INTERESTS IN SUBSIDIARIES

	2015	2014
	£	£
Unlisted shares, at cost	**639,965**	1,053,475
Add: foreign translation difference	**-**	161,537
Less: impairment loss	**(625,005)**	(1,201,190)
	14,960	13,822
Amounts due from subsidiaries	**91,424**	7,213,254
Less: impairment loss	**-**	(4,459,285)
Add: foreign translation difference	**-**	(514)
	91,424	2,753,455
Total	**106,384**	2,767,277

Amounts due from subsidiaries are unsecured, interest-free with no fixed term of repayment.

The following list contains the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group during the year ended 31 March 2015:

Name	**Place of incorporation and operations**	**Issued and fully paid up share capital/ registered capital**	**Percentage of equity held by the Company**		**Principal activities**
			Directly	**Indirectly**	
T-Com Technology Co Limited	Taiwan	NT$80,000,000 Ordinary share	52.25%	-	Supply, design, installation and maintenance of closed circuit television and surveillance systems and the sale of security system related products
Leader Smart Holdings Limited #	BVI	US$10,000 Ordinary share	100%	-	Investment holding
Leader Smart Engineering Limited #	Hong Kong	HK$10,000 Ordinary share	-	100%	Investment holding and engineering contractor
Leader Smart Engineering (Shanghai) Limited #	The PRC	US$1,000,000 Registered capital	-	100%	Supply, design, installation and maintenance of electrical and mechanical systems, construction decorations and provision of engineering consultancy services

(collectively the "Leader Smart Group")

On 31 March 2015, the Company approved the decision to demerge the Leader Smart Group from the Group by distribution as a dividend in specie to its shareholders at the fair value of the assets to be distributed. Accordingly, amounts due from subsidiaries in the Company Statement of Financial Position as at 31 March 2014 were restated as amounts due from former subsidiaries under non-current assets (note 21) in the Consolidated and Company Statement of Financial Position as at 31 March 2015.

19. INVENTORIES

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Raw materials	**477,295**	300,238	**477,295**	300,238
Work in progress	**-**	490	**-**	-
Finished goods	**832,710**	878,454	**364,615**	444,143
	1,310,005	1,179,182	**841,910**	744,381
Less: impairment loss	**(104,541)**	(120,117)	**-**	-
	1,205,464	1,059,065	**841,910**	744,381

The Group recognised a provision for obsolete inventories of £0 (2014: £9,660) on slow-moving inventories.

20. CONTRACTS-IN-PROGRESS

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Contract costs incurred plus attributable profits less foreseeable losses	**19,237,828**	30,934,302	**17,420,721**	13,957,023
Progress billings to date	**(18,197,386)**	(17,397,940)	**(17,936,359)**	(13,621,970)
	1,040,442	13,536,362	**(515,638)**	335,053
Represented by:				
Amounts due from customers for contracts-in-progress	**2,411,247**	14,404,193	**813,681**	964,673
Less: allowance for doubtful debts	**(206,436)**	(377,670)	**(206,436)**	(145,515)
Amounts due from customers for contracts-in-progress, net (note 21)	**2,204,811**	14,026,523	**607,245**	819,158
Amounts due to customers for contracts-in-progress (note 23)	**(1,164,369)**	(490,161)	**(1,122,883)**	(484,105)
	1,040,442	13,536,362	**(515,638)**	335,053

At 31 March 2015, the amount of retention receivables from construction customers recorded within "trade and other receivables" is £49,122 (2014: £52,689).

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Current portion:				
Trade receivables	**1,156,106**	1,414,152	**769,265**	760,300
Less: allowance for doubtful debts	**(191,806)**	(469,128)	**(65,131)**	(57,942)
Trade receivables, net	**964,300**	945,024	**704,134**	702,358
Other receivables	**494,783**	404,973	**397,233**	244,476
Deposits and prepayments	**659,109**	247,460	**130,706**	102,824
Amounts due from customers for contracts-in-progress, net (note 20)	**2,204,811**	14,026,523	**607,245**	819,158
	4,323,003	15,623,980	**1,839,318**	1,868,816
Less: non-current portion – amounts due from customers for contracts-in-progress	**-**	(1,324,331)	**-**	-
	4,323,003	14,299,649	**1,839,318**	1,868,816
Non-current portion:				
Amounts due from customers for contracts-in-progress	**-**	1,324,331	**-**	-
Amounts due from former subsidiaries	**2,973,435**	-	**2,973,435**	-
	2,973,435	1,324,331	**2,973,435**	-

All of the trade and other receivables are expected to be recovered within one year, other than those separately disclosed.

Upon the completion of demerger transaction (see notes 18 and 31), the net carrying value of the balances due from the Leader Smart Group was restated as £2,973,435. After the end of the reporting period, the net balance was re-assigned to the Parent of the Leader Smart Group (note 34).

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Movements in the allowance for doubtful debts:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
At 1 April	**469,128**	637,847	**57,942**	240,929
Impairment loss recognised	**-**	99,907	**-**	-
Recovery from bad debts	**(16,508)**	(44,617)	**-**	-
Written back of allowance	**-**	(168,779)	**-**	(168,779)
Foreign translation difference	**(260,814)**	(55,230)	**7,189**	(14,208)
At 31 March	**191,806**	469,128	**65,131**	57,942

At 31 March 2015, trade receivables of the Group and the Company amounting to £0 (2014: £99,907) and £0 (2014: £0) respectively, are individually determined to be impaired and an impairment loss was provided. These individually impaired receivables were outstanding over one year at the end of the reporting period.

(b) Trade receivables that are not impaired

The following is an aged analysis of trade receivables at the end of the reporting period that were past due but not impaired:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
0 to 90 days	**856,306**	786,137	**645,262**	615,258
91 to 365 days	**56,218**	126,401	**55,766**	80,155
Over 365 days	**51,776**	32,486	**3,106**	6,945
	964,300	945,024	**704,134**	702,358

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Company does not hold any collateral over these balances.

22. CASH AND BANK BALANCES

(a) Cash and cash equivalents

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Cash at bank and on hand	**1,099,861**	310,805	**1,044,484**	160,210
Restricted cash *	**121,846**	69,055	**-**	-
Cash and cash equivalents in the consolidated and the Company's statement of cash flows	**1,221,707**	379,860	**1,044,484**	160,210

* At 31 March 2015, the Group maintained £121,846 (2014: £69,055) as restricted cash held at bank as security against the banking facilities (note 25).

(b) Bank deposits

At 31 March 2015, £251,641 (2014: £223,865) are restricted deposits held at bank with maturities greater than three months, as a pledge for performance bonds in respect of construction contracts undertaken by the Group and the Company.

The effective interest rate on bank deposits was 0.37% per annum (2014: 0.41%).

(c) Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
AUD	**327**	350	**327**	350
CAD	**798**	813	**798**	813
GBP	**115**	115	**115**	115
HKD	**1,263,290**	380,702	**1,263,148**	374,209
JYP	**67**	70	**67**	70
NTD	**175,935**	211,460	**-**	-
RMB	**-**	475	**-**	-
USD	**32,816**	9,740	**31,670**	8,518
	1,473,348	603,725	**1,296,125**	384,075

23. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade payables	**585,931**	1,978,634	**79,176**	67,577
Bills payable	**197,437**	236,528	**-**	-
Due to related parties (note 29(b))	**148,540**	37,017	**6,791**	-
Accruals and other payables	**1,146,339**	1,500,009	**1,048,953**	893,094
Deferred income on financial guarantees issued (note 31)	**-**	302,604	-	-
Amounts due to customers for contracts-in-progress (note 20)	**1,164,369**	490,161	**1,122,883**	484,105
	3,242,616	4,544,953	**2,257,803**	1,444,776

24. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current tax liability in the statement of comprehensive income represents:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Hong Kong profits tax	**-**	-	**-**	-
PRC income tax	**-**	1,144,800	**-**	-
Taiwan income tax	**34,442**	82,173	**-**	-
	34,442	1,226,973	**-**	-

(b) Unrecognised deferred tax assets

At 31 March 2015, the Company had unused tax losses of £4,746,391 (2014: £4,512,158) that were available for offset against future taxable profits of the Company. No deferred tax assets have been recognised due to the unpredictability of the future profit streams. Such unused tax losses are available to be carried forward at no expiration.

No provision for deferred tax liabilities has been made in the financial statements as the tax effect of temporary differences is immaterial to the Group and the Company.

25. LOAN AND BORROWINGS

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Within one year or on demand:				
Secured bank loans (note a)	**1,122,052**	440,582	**-**	-

Note:

The secured bank loans carried interest at rates ranging from 3.49% to 3.68% per annum (2014: 3.39% to 3.91% per annum) and were secured by:-

(i) Restricted cash (note 22) and;
(ii) Personal guarantee by the Chairman of the Company, Mr. Stephen Sin Mo KOO (note 29(c)).

26. OBLIGATIONS UNDER FINANCE LEASE

At 31 March 2015 and 2014, the Group and the Company had obligations under finance lease as follows:

	Minimum lease payment		Present value of the minimum lease payment	
	2015	2014	**2015**	2014
	£	£	**£**	£
Within one year	**8,944**	7,956	**7,694**	6,844
Between two to five years	**745**	8,620	**641**	7,415
Total minimum finance lease payments	**9,689**	16,576	**8,335**	14,259
Less: future finance charges	**1,354**	2,317		
Present value of lease obligation	**8,335**	14,259		

27. SHARE CAPITAL

	2015	2014
	£	£
Authorised :		
800,000,000 ordinary shares of HK$0.0625 each	**3,669,470**	3,669,470
Issued and fully paid:		
383,677,323 ordinary shares (2014: 383,677,323 ordinary shares) of HK$0.0625 each	**1,697,617**	1,697,617

The Company has one class of ordinary shares.

28. EMPLOYEE RETIREMENT BENEFITS

(a) The Company operates a Mandatory Provident Fund scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the MPF scheme vest immediately.

(b) Employees of the subsidiary in Taiwan chose to participate in a defined contribution scheme governed by the Labour Pension Act of Taiwan. This subsidiary contributes at 6% of the total salaries of the participating employees who have chosen to participate in the defined contribution scheme, the contribution deposited into individual pension accounts at the Bureau of Labour Insurance of Taiwan.

Save as set out above, the Group has no other material obligations to make payments in respect of retirement benefits of the employees.

29. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of the key management of the Group during the year was as follows:-

	2015	2014
	£	£
Salaries, bonus and allowances	226,725	243,431

The remuneration of key management personnel comprises the remuneration of Executive Directors and key executives.

Executive Directors include the Executive Chairman, Chief Executive Officer, Technical Director and Finance Director of the Company. The remuneration of the Executive Directors is determined by the Remuneration Committee having regard to the performance of individuals, the overall performance of the Group and market trends. Further information about the Remuneration Committee and the Directors' remuneration is provided in the Remuneration Report and the Report on Corporate Governance to the Annual Report and note 11 to the financial statements.

Key executives include the Director of Operations and Director of Sales and Marketing of the Company. The remuneration of the key executives is determined by the Executive Directors annually having regard to the performance of individuals and market trends.

Biographical information on key management personnel is disclosed in the Directors' and Senior Management's Biographies section of the Annual Report.

Transactions with related parties

(a) At 31 March 2015, there is a payable balance of £202 (2014: £37,017) due to Mr. Stephen Sin Mo KOO, the Director of the Company, which is unsecured, interest-free and repayable on demand (note 23).

(b) At 31 March 2015, there is a payable balance of £140,436 (2014: Nil) due to non-controlling shareholders of a subsidiary of the Company, which is unsecured, interest-free and repayable on demand.

(c) At 31 March 2015, the bank facilities amounting to £1,037,063 (2014: £946,068) are personally guaranteed by Mr. Stephen Sin Mo KOO, which remained unused. No charge has been requested for this guarantee (note 25).

Apart from the transactions disclosed above and elsewhere in the financial statements, the Group and the Company had no other material transactions with related parties during the year.

30. COMMITMENTS

(a) Capital commitments

At 31 March 2015, the Group and the Company has no material capital commitments outstanding.

(b) Operating lease commitments

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases for the office and warehouse premises are payable as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Within one year	**93,041**	114,902	**50,872**	70,764
Between two to five years	**46,633**	28,055	**46,633**	21,187
	139,674	142,957	**97,505**	91,951

31. DEMERGER TRANSACTION

During the year ended 31 March 2015, the Company approved a corporate restructuring exercise by demerging its Electrical and Mechanical business that was operated by its subsidiaries namely Leader Smart Engineering Limited and Leader Smart Engineering (Shanghai) Limited (collectively the "Leader Smart Group"). All of the issued shares in the Leader Smart Group were transferred to Leader Smart Holdings Limited, a BVI company, whose shares were distributed as non-cash dividends, ranking pari passu in all respects with the existing shareholders of the Company. This exercise is treated as the distribution of non-cash assets to owners and the dividend in specie has been debited to the retained earnings accordingly.

The net carrying values of the assets to be distributed at 31 March 2015:

	£
ASSETS	
Trade and other receivables	**13,931,948**
Cash and cash equivalents	**6,812**
Total assets	**13,938,760**
LIABILITIES	
Trade and other payables	**11,519,954**
Current tax liability	**1,287,150**
Financial guarantee liabilities	**340,231**
Total liabilities	**13,147,335**
Net asset value	**791,425**
Special dividend declared and payable per ordinary share	**0.2p**

31. DEMERGER TRANSACTION (CONTINUED)

Electrical and Mechanical business was discontinued on 31 March 2015 and its operating results are presented as follows:

	2015 £	2014 £
Revenue from discontinued operations	**51,129**	71,159
Other income	**2,186**	-
Other gains and losses	**(48,190)**	(96,017)
Administrative expenses	**(35,782)**	(44,597)
Loss for the year from discontinued operations	**(30,657)**	(79,714)
Earnings per share – Basic and Diluted	(0.01)p	(0.02)p

Cash flows from discontinued operations	2015 £	2014 £
Net cash outflows from operating activities	**(2,470)**	402
Net cash outflows from investing activities	**-**	-
Net cash outflows from financing activities	**-**	-
Effect of foreign exchange changes, net	**2,440**	(360)
	(30)	42

Upon the completion of demerger transaction, a net effect of £4,730,991 was charged directly in equity.

32. CONTINGENT LIABILITIES

In the opinion of the Directors of the Company, there were no material contingent liabilities outstanding at 31 March 2015.

33. COMPARATIVE FIGURES

Certain comparative figures in these financial statements have been re-classified to conform to the current year's presentation

34. EVENTS AFTER THE END OF THE REPORTING PERIOD

(i) On 1 April 2015, the Company entered into the assignment of deed and agreed to transfer the balance with its former subsidiaries to their parent company namely Leader Smart Holdings Limited.

(ii) On 1 September 2015, the directors proposed a final dividend. Further details are disclosed in note 15(i).

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 10 September 2015.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2015 Annual General Meeting (AGM) of UniVision Engineering Limited will be held at UniVision Engineering Limited, Unit 01A, 2/F., Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, on 8 October 2015 at 5:00 p.m. The following businesses will be transacted then:

As ordinary business:

1. To receive and adopt the Company's audited financial statements for the financial year ended 31 March 2015 together with the Directors' report and the Independent Auditor's report;

2. To declare a final dividend for the financial year ended 31 March 2015.

3. To re-elect Mr. Nicholas James LYTH who retired by rotation, as a Non-Executive Director of the Company;

4. To re-elect Mr. Stephen Sin Mo KOO who retired by rotation, as a Director of the Company;

5. To re-elect Mr. Danny Kwok Fai YIP who retired by rotation, as a Director of the Company;

6. To reappoint auditor HKCMCPA Company Limited, Certified Public Accountants as auditors of the Company, to hold office from the conclusion of the meeting to the conclusion of the next meeting, during which accounts will be laid before the Company and to authorize the Directors to adjust their remuneration packages;

7. That the directors of the Company be and are hereby generally and unconditionally authorized to exercise all powers of the Company to allot 'Ordinary Shares' the capital of the Company. Such authority (unless and to the extent previously revoked, varied or renewed by the Company during the general meeting) to expire 15 months after the date of the passing of such resolution or on the conclusion of the Company's next AGM to be held, following the date of passing such resolution, whichever occurs first, save that the Company may before such expiry make any offer or agreement which would or might require Ordinary Shares to be allotted after such expiry, and that the Directors may allot Ordinary Shares in pursuance of such an offer or an agreement as if such authority had not expired. This authority substitutes all subsisting authorities to the extent unused.

8. That the directors of the Company be and are hereby generally and unconditionally authorized to exercise all powers of the Company to repurchase the 'Ordinary Shares' in the capital of the Company, including any form of depositary receipt. Such authority (unless and to the extent previously revoked, varied or renewed by the Company during the general meeting) to expire 15 months after the date of the passing of such resolution or on the conclusion of the Company's next AGM to be held, following the date of passing such resolution, whichever occurs first, save that the Company may before such expiry make any offer or agreement which would or might require Ordinary Shares to be repurchased after such expiry, and that the Directors may buy back Ordinary Shares in pursuance of such an offer or an agreement as if such authority had not expired.

By Order of the Board	Registered office:
Mr. Stephen Sin Mo KOO	Unit 01A, 2/F., Sunbeam Centre,
Executive Chairman	27 Shing Yip Street,
	Kwun Tong, Kowloon,
10 September 2015	Hong Kong

NOTES:

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend and vote at the Annual General Meeting. A member so entitled may appoint one or more proxies (whether they are members or not) to attend and, on a poll, to vote in place of the member.

2. A form of proxy is enclosed with this notice. To be valid, the form of proxy and any power of attorney or other authority (if any) under which it is signed, or a notarized and certified copy of that power of authority, must be lodged with the Company's registrars, c/o Computershare Investor Services Plc., The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the Annual General Meeting takes place.

3. Completion and return of a proxy does not preclude a member from attending and voting at the Annual General Meeting.

4. The Company pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 specifies that only those shareholders registered in the Register of Members of the Company as of 18 September 2015 are entitled to attend or vote at the Annual General Meeting in respect to the number of shares registered in their name at that time. Changes to entries on the Register after that time will be disregarded when determining the rights of any person to attend or vote in the Annual General Meeting.