

UniVision Engineering Limited



Annual Report
Year ended 31 March 2016

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Year ended 31 March 2016

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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

Registered Office

Unit 01A, 2/F Sunbeam Centre,
27 Shing Yip Street,
Kwun Tong, Kowloon,
Hong Kong
Tel: (852) 2389 3256
Fax: (852) 2797 8053
E-mail: uvel@hk.uvel.com
Website: www.uvel.com

Nominated Adviser and Broker

ZAI Corporate Finance Limited
1 Hobhouse Court,
Suffolk Street,
London SW1Y 4HH,
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
15/F., Aubin House
171-172 Gloucester Road,
Wanchai, Hong Kong

Registrars

Computershare Investor Services
(Jersey) Limited
Queensway House,
Hilgrove Street,
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 2016.

Turnover for continuing operations in the year increased by 5.2% to £3.87m (2015: £3.68m). This increase was mainly due to the significant growth in construction contracts which grew by a remarkable 37.8%. The increased income from construction contract income was offset to some extent by a decrease in maintenance income.

Looking forward, the Board expects the large infrastructure projects and the line extension of the MTR Corporation Limited ("MTRC") in Hong Kong to provide the Company with opportunities for business growth in the coming years and given the Board's confidence in the future, it is declaring an increased final dividend of 0.41 HK cents (gross) per share for the financial year ended 31 March, 2016 (2015: 0.39 HK cents)

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

DISPOSAL OF TAIWANESE SUBSIDIARY

As announced on 28 June 2016, the Group has entered into an agreement to sell its entire interest in its Taiwan subsidiary- T-Com Technology Company Limited ("the Subsidiary" or "T-Com") to Mr. Stephen Koo, the Executive Chairman of the Group.

The Subsidiary recorded a substantial operating loss of NTD23m (£478K) for the year ended 31 March, 2016. Poor trading and economic conditions led to the sharp decrease in its construction revenue and its gross profit. The weak economic situation and the reduction of capital expenditure and budgets by the local government and private sector customers for improving and replacement of their surveillance systems, led to the substantial decrease in job orders in the Taiwan subsidiary.

The Board sees no immediate prospect for improvement in the situation. Before the disposal, the Group owned 52.25% interest in the Subsidiary and shared the losses it suffered pro rata to that holding. The terms of the disposal enable UniVision to avoid any share of future losses. It also provides the option for the Group to repurchase the company if the business returns to profitability within the next five years.

The terms of the sale provide for consideration of HK\$600K to be settled in cash. In addition, the Group will receive repayment of outstanding debts and other amounts due from the Subsidiary within 24 months of completion

Mr. Stephen Koo currently provides a personal guarantee for the banking facilities of T-Com and due to the requirement for a third party purchaser to replace this guarantee, and having regard to the poor operating results and the difficult trading conditions, the Board considered this arrangement to be the best available to the Group. .

CHAIRMAN'S STATEMENT

(Continued)

The disposal enables UniVision's Management to focus attention and resources on its local security and surveillance business.

The value of the assets and liabilities of T-Com were £3,617K and £3,215K as 31 March, 2016, respectively which included in the financial statements as Assets/Liabilities of Disposal Group classified as held for sale. The net value was £402k as at 31 March 2016.

The operating result of T-Com for this year: loss £478K (2015: profit £110K) is presented in the financial statements as loss/profit from discontinued operations.

Completion of the sale process is underway and notarised documents for the proposed share transfer have been submitted to the Taiwan authorities for approval.

POTENTIAL CLAIM

Legal proceedings were initiated by Nan Ning Hai Li Real Estate Development Limited ("Hai Li" or the "Plaintiff") against Mr Stephen Koo and UniVision in the Hong Kong High Court on 10 March 2016. The Plaintiff has claimed damages in respect of breach of contract and/or duty for a share transfer agreement which it claims was entered between Hai Li and Mr Stephen Koo for the purchase of Stephen Koo's 41% shareholding in UniVision on 14 December 2015 and in a series of oral agreements between Hai Li and Mr Stephen Koo and UniVision represented by Mr Stephen Koo made before and after the 14 December 2015. As announced on 25 April 2016, Mr Koo and UniVision received the Acknowledgement of Service of Writ of Summons from the solicitor of the Plaintiff and have returned to the Registry of the High Court the accompanying Acknowledgment of Service contesting the proceedings.

As announced on 24 August 2016, Mr Stephen Koo and UniVision have received the Statement of Claim from the solicitor of the Plaintiff and their legal counsel is now drafting a Defence based on the evidence. The Defence is expected to be filed with the Court by early September, 2016.

Based on preliminary legal opinion the directors believe that the allegations and the causes of action as set out in the Statement of Claim are not at all clear and doubt that the Plaintiff can substantiate them. Accordingly UniVision is applying to the Court to strike out the claims against it.

FINANCIAL REVIEW

'Continuing operations' represent the Group's Security and Surveillance Systems business undertaken by the Hong Kong Company. The same business undertaken by the Taiwan Subsidiary is now classified as discontinued operations. The loss from the discontinued operations during the year was £478K (2015: profit £110K).

The profit from the continuing operations attributable to the equity holders of the Company is £138K (2015: £33K). Having regard to the low economic growth and keen competitive environment the Directors are encouraged by this result.

The Group generated positive net cash of £22K from its operating activities in the year (2015: £328K). The Hong Kong company, in which the continuing operations are based has no external

CHAIRMAN'S STATEMENT

(Continued)

loan and maintained a cash balance of £0.65m at the year end. The Directors attribute this to close monitoring and effective control of working capital. The group as a whole had cash and cash equivalents at 31 March 2016 of £0.95m (31 March 2015: £1.2m).

During the year under review the relative strengthening of the HK\$ against GBP has led to a 6.9% appreciation in the GBP reported amount in the Consolidated Statement of Comprehensive Income. Also, a relative strengthening of HK\$ at the year-end has led to a 2.9% appreciation in the GBP reporting amount in the Consolidated Statement of Financial Position. All figures in the Financial Statements therefore needed to be adjusted for comparison purposes.

Turnover from continuing operations in the year increased by 5.2% to £3.87m (2015: £3.68m). This increase was mainly due to the significant growth in construction contract income. The revenue from construction contracts (excluded the discontinued operations) increased by 38% or £0.6m as compared with last year. The growth of construction revenue in Hong Kong was mainly due to the income of £290K from the Hong Kong-Zhuhai-Macao Bridge Project, and £264K from the South Island Line Project. Additionally construction contracts, including the installation, relocation, modification and replacement works were provided by MTR Corporation Limited. These projects show the Company's ability to win and deliver on projects in a highly competitive environment.

On the other hand, the revenue of the Group's maintenance contracts (excluded the discontinued operations) compared declined by 34.2% mainly due to the change of scope in the services provided in the new maintenance contract to MTRC, a three year contract commencing on 1 January 2015. In addition, fewer sub-contract orders were received because the coming major CCTV replacement project for the railway lines of MTRC will be launched in 2017. Nevertheless, maintenance contract and its sub-contracts provided regular cash flow for the Group's operations.

Gross profit margin for continuing operations increased to 32% (2015: 29%). The major reason was the increase in gross profit from 18% to 33% in the Group's construction contracts. These increment was contributed from a few orders with comparatively high profit margin. The effective and efficient control of human resources, material costs, logistics and sub-contracting charges also contributed the increment.

The higher gross profit of construction segment offset the effect by decrease in gross profit margin of maintenance contracts. The gross profit margin for the Group's maintenance business for the period was decreased 8% due to the initial purchase cost for installation of equipment in the main maintenance contract with MTRC and increased cost for changing parts for systems.

Against the improved gross profit, administration expenses for continuing operations remained constant at £955K (2015: £892K)

Net profit before income tax from continuing operations was £138K (2014: £33K). Basic profit from continuing operations per share for this year was 0.04p (2015: 0.01p).

No significant capital investment occurred in the year.

The directors propose the payment of a final dividend of 0.41 HK cents (gross) per share for the financial year ended 31 March, 2016 (2015: 0.39 HK cents). The dividend timetable is as follows:

CHAIRMAN'S STATEMENT

(Continued)

Ex date 15 September 2016
Record date 16 September 2016
Payment date 10 October 2016

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 Video Surveillance market will grow steadily at a Compound Annual Growth Rate of 22 per cent over the period of four years from 2016 to 2020. The increasing demand for wireless network infrastructure is the key growth driver for this market. Moreover, the increase in concern over security and the demand to replace analogue systems with Internet protocolbased systems, is also expected to boost the market in the forecast period.

High demand for the IP cameras is expected because the total cost of operations is lower than with analogue cameras .Besides, IP cameras are more flexible and secure than analogue cameras.

UniVision will commit resources to accessing and developing new technologies and solutions to cope with the opportunities in Internet Protocol and High Definition CCTV System technology.

Based on the above, the Board anticipates demand for Security and Surveillance Systems from local government infrastructure projects and the commercial sector will increase in coming years. On the other hand, there may well be increased competition leading to reduced income and so the Company will explore other market segments, such as rolling stock business in railway to strengthen the business growth.

Business

During the year, the Hong Kong Company has participated in the Pre-Qualification process for the CCTV Replacement project for Hong Kong MTR. The project is expected to replace about 6,500 CCTV cameras from analogue-based with IP-based units. Since our Company currently is the CCTV System maintainer for MTR, we are in a good position to bid for this project.

To support the Pre-Qualification, the Company is negotiating partnership arrangements with certain PRC enterprises. This will be facilitated by the disposal of UniVision's interest in T-Com, its Taiwan subsidiary on the ground that tendering for government projects are not allowed if there is PRC funding in its shareholding company. The strategy also optimises the Group's operational efficiency. This disposal should improve the operating result of T-Com.

After the de-merger of Leader Smart Group, the Security and Surveillance Systems business is the only business segment performed by the Group. The major customers are public organisations and sizeable private enterprises, such as the Electrical and Mechanical Services Department ("EMSD") of the Hong Kong Government and MTRC in Hong Kong which are the two largest customers in this financial year.

CHAIRMAN'S STATEMENT

(Continued)

PROSPECTS

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 Company continues to actively tender for new construction contracts while maintaining its stake in the maintenance sector of Security & Surveillance market. As the subsequent completion of some major infrastructure projects, such as the Third Runway of Hong Kong International Airport and extension of railway lines, such as the new line Shatin-Central, the Board is optimistic about the prospects for business growth in the coming years.

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

2 September 2016

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

DIRECTORS' BIOGRAPHIES

Nicholas James LYTH – Non-executive Director (aged 50)

Mr. Lyth is a qualified chartered management accountant and has over 16 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 and UniVision Holdings Limited, the Group's major shareholding companies. He is a Fellow of the Institute of Certified Public Accountants of Australia.

Chun Pan WONG – Chief Executive Officer (aged 56)

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 52)

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 and food 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.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

(Continued)

Peter Yip Tak CHAN – Director of Sales and Marketing (aged 52)

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 41)

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.

UNIVISION ENGINEERING LIMITED

DIRECTORS' REPORT

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 2016.

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 security and surveillance systems business undertaken by the Taiwan Subsidiary as 31 March, 2016 by selling its entire holding interest to the Group's Executive Chairman.

Review of the Business

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

Financial Position

The Group's profit for the year ended 31 March 2016 and the state of affairs of the Group at that date are set out in the consolidated statement of comprehensive income on page 23 and in the consolidated statement of financial position on page 24, respectively.

The Group's and the Company's changes in shareholders' equity for the year ended 31 March 2016 are set out in the consolidated and the Company's statement of changes in equity on page 26 and 27, respectively.

The Group's and the Company's cash flow for the year ended 31 March 2016 is set out in the consolidated and the Company's statement of cash flows on pages 28 to 29.

DIRECTORS' REPORT

(Continued)

Key Performance Indicators (KPI) Continuing operations

			<u>2016</u>	<u>2015</u>
Current Ratio:	Current Assets / Current Liabilities	:	1.8	1.8
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Sales per day	:	87 days	70 days
Inventory Turnover :	Cost of sales / Inventories	:	3.5	3.1
Gross profit Margin :	Gross profit / Sales	:	32%	29%
Debt to Equity Ratio :	Debt / Equity	:	n/a	n/a
Quick Ratio :	(Current Assets –Inventories)/ Current Liabilities	:	1.4	1.4

Key Performance Indicators (KPI) Continuing and discontinuing operations

			<u>2016</u>	<u>2015</u>
Current Ratio:	Current Assets / Current Liabilities	:	1.4	1.6
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Sales per day	:	48 days	52 days
Inventory Turnover :	Cost of sales / Inventories	:	5.5	4.1
Gross profit Margin :	Gross profit / Sales	:	20%	27%
Debt to Equity Ratio :	Debt / Equity	:	0.23	0.21
Quick Ratio :	(Current Assets –Inventories)/ Current Liabilities	:	1.2	1.3

DIRECTORS' REPORT

(Continued)

Share Capital and Reserves

Details of the movements in share capital are set out in note 27 on page 68.

The movements in reserves during the year are set out in the consolidated statement of changes in equity on page 26.

Dividends

The Directors propose that the payment of a final dividend of 0.41 HK cents (gross) per share for the financial year ended 31 March 2016.

Plant and Equipment

Details of the movements in plant and equipment are set out in note 16 on pages 59 to 60.

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

Mr. Chun Pan WONG, Mr. Nicholas James LYTH and Mr. Peter Yip Tak CHAN 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 2016

Stephen Sin Mo KOO	279,703,700*
Nicholas James LYTH	-
Chun Pan WONG	-
Danny Kwok Fai YIP	-
Peter Yip Tak CHAN	-

DIRECTORS' REPORT

(Continued)

* 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.

A share transaction effected on 17 November 2015, Up Sky Investments Limited transferred its entire stake in UniVision Holdings Limited to Mr. Stephen Koo. In addition, Mr. Stephen Koo is also interested in 17,223,700 ordinary shares in the Company.

In summary, Mr. Stephen Koo 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 30 August 2016, 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	35,120,275	9.2
Beaufort Nominees Limited	23,537,998	6.1

DIRECTORS' REPORT

(Continued)

⁽¹⁾ UniVision Holdings Limited is an investment holding company incorporated under the laws of the British Virgin Islands and was formerly owned by Up Sky Investments Limited. Up Sky Investments Limited transferred the entire stake to Mr. Stephen KOO on 17 November 2015.

⁽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 £86 charitable contributions (2015: £80.). 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 30 September 2016 at 5:00 p.m. The Notice of Meeting appears on page 74.

Annual Report

The annual report for the year ended 31 March 2016 will be uploaded on the Company's website www.uvel.com on 2 September, 2016 upon announcement 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.

DIRECTORS' REPORT
(Continued)

By Order of the Board

Mr. Stephen Sin Mo KOO
Executive Chairman

Hong Kong
2 September 2016

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 £	2016 Total £	2015 Total £
Executive Directors					
Stephen Sin Mo KOO	-	-	-	-	24,116
Chun Pan WONG	56,771	1,546	5,600	63,917	56,033
Danny Kwok Fai YIP	45,417	1,546	4,107	51,070	45,106
Peter Yip Tak CHAN	45,634	1,546	4,127	51,307	24,575
Non-executive Director					
Nicholas James LYTH	12,367	-	1,402-	13,769	11,518

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.

REPORT ON CORPORATE GOVERNANCE

(Continued)

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 for 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.

REPORT ON CORPORATE GOVERNANCE

(Continued)

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 subsidiary (collectively referred to as the “Group”) set out on pages 21 to 72, which comprise the Consolidated and the Company Statement of Financial Position as at 31 March 2016, and the Consolidated Statement of Comprehensive Income, the Consolidated and the Company Statement of Changes in Equity and the Consolidated and the Company 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.

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 2016 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
2 September 2016



15th Floor, Aubin House, 171-172 Gloucester Road, Wan Chai, Hong Kong
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<http://www.hkcmcpa.us>

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	<i>Notes</i>	2016 £	2015 £
Continuing operations			
Revenue	7(a)	3,866,521	3,675,494
Cost of sales	10	<u>(2,615,802)</u>	<u>(2,613,541)</u>
Gross profit		1,250,719	1,061,953
Other income	8	9,118	2,308
Other gains and losses	9	(36,730)	(35,039)
Selling and distribution expenses	10	(121,090)	(103,185)
Administrative expenses	10	(963,072)	(891,872)
Finance costs	12	<u>(1,234)</u>	<u>(1,149)</u>
Profit before income tax		137,711	33,016
Income tax expense	13	<u>-</u>	<u>-</u>
Profit for the year from continuing operations		137,711	33,016
Discontinued operations			
(Loss)/profit for the year from discontinued operations	31	<u>(478,320)</u>	<u>79,539</u>
(Loss)/profit for the year		<u>(340,609)</u>	<u>112,555</u>
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		<u>142,154</u>	<u>51,339</u>
Total comprehensive income for the year		<u>(198,455)</u>	<u>163,894</u>
(Loss)/profit attributable to :			
Equity shareholders of the Company			
Profit from continuing operations		137,711	33,016
(Loss)/profit from discontinued operations		<u>(249,922)</u>	<u>26,921</u>
Equity shareholders of the Company		<u>(112,211)</u>	59,937
Non-controlling interests		<u>(228,398)</u>	<u>52,618</u>
		<u>(340,609)</u>	<u>112,555</u>
Equity shareholders of the Company			
		39,945	78,311
Non-controlling interests		<u>(238,400)</u>	<u>85,583</u>
		<u>(198,455)</u>	<u>163,894</u>
Earnings per share – Basic and Diluted			
Continuing and discontinued operations	14	<u>(0.03)p</u>	<u>0.02p</u>
Continuing operations	14	<u>0.04p</u>	<u>0.01p</u>

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	<i>Notes</i>	2016 £	2015 £
ASSETS			
Non-current assets			
Plant and equipment	16	42,629	47,629
Goodwill	17	-	25,830
Trade and other receivables	21	<u>3,064,336</u>	<u>2,973,435</u>
Total non-current assets		<u>3,106,965</u>	<u>3,046,894</u>
Current assets			
Inventories	19	749,189	1,205,464
Trade and other receivables	21	2,460,855	4,323,003
Bank deposits	22	448,056	251,641
Cash and cash equivalents	22	<u>654,244</u>	<u>1,221,707</u>
Total current assets		<u>4,312,344</u>	<u>7,001,815</u>
Assets of disposal group classified as held for sale	31	<u>3,616,582</u>	-
Total assets		<u>11,035,891</u>	<u>10,048,709</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	23	2,505,939	3,242,616
Current tax liability	24(a)	-	34,442
Loan and borrowings	25	-	1,122,052
Obligations under finance lease	26	<u>660</u>	<u>7,694</u>
Total current liabilities		<u>2,506,599</u>	<u>4,406,804</u>
Non-current liabilities			
Obligations under finance lease	26	-	641
Liabilities of disposal group classified as held for sale	31	<u>3,214,990</u>	-
Total liabilities		<u>5,721,589</u>	<u>4,407,445</u>
Equity			
Share capital	27	1,697,617	1,697,617
Reserves		<u>3,462,605</u>	<u>3,551,167</u>
Equity attributable to equity shareholders of the Company		<u>5,160,222</u>	<u>5,248,784</u>
Non-controlling interests		<u>154,080</u>	<u>392,480</u>
Total equity		<u>5,314,302</u>	<u>5,641,264</u>
Total liabilities and equity		<u>11,035,891</u>	<u>10,048,709</u>

The financial statements on pages 21 to 74 were authorised for issue by the board of directors on 2 September 2016 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 2016

	<i>Notes</i>	<u>2016</u> £	<u>2015</u> £
ASSETS			
Non-current assets			
Plant and equipment	16	42,629	32,248
Interest in a subsidiary	18	99,500	106,384
Trade and other receivables	21	<u>3,064,336</u>	<u>2,973,435</u>
Total non-current assets		<u>3,206,465</u>	<u>3,112,067</u>
Current assets			
Inventories	19	750,353	841,910
Trade and other receivables	21	2,460,855	1,839,318
Bank deposits	22	448,056	251,641
Cash and cash equivalents	22	<u>654,244</u>	<u>1,044,484</u>
Total current assets		<u>4,313,508</u>	<u>3,977,353</u>
Total assets		<u><u>7,519,973</u></u>	<u><u>7,089,420</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	23	2,505,939	2,257,803
Obligations under finance lease	26	<u>660</u>	<u>7,694</u>
Total current liabilities		<u>2,506,599</u>	<u>2,265,497</u>
Non-current liability			
Obligations under finance lease	26	<u>-</u>	<u>641</u>
Total liabilities		<u>2,506,599</u>	<u>2,266,138</u>
Equity			
Share capital	27	1,697,617	1,697,617
Reserves		<u>3,315,757</u>	<u>3,125,665</u>
Total equity		<u>5,013,374</u>	<u>4,823,282</u>
Total liabilities and equity		<u><u>7,519,973</u></u>	<u><u>7,089,420</u></u>

The financial statements on pages 21 to 74 were authorised for issue by the board of directors on 2 September 2016 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 2016

	Attributable to the equity shareholders of the Company							Non-controlling interest	Total equity	
	Share capital	Share premium	Retained earnings	Special capital reserve "A"	Special capital reserve "B"	Statutory surplus reserves	Translation reserve			
	£	£ (Note 1)	£	£ (Note 2)	£ (Note 3)	£	£	£	£	
Balance at 1 April 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
Comprehensive income:										
Profit or loss	-	-	(112,211)	-	-	-	-	(112,211)	(228,398)	(340,609)
Other comprehensive income:										
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	152,156	152,156	(10,002)	142,154
Total other comprehensive income for the year, net of tax	-	-	-	-	-	-	152,156	152,156	(10,002)	142,154
Total comprehensive income	-	-	(112,211)	-	-	-	152,156	39,945	(238,400)	(198,455)
Transfer to statutory surplus reserves	-	-	(4,241)	-	-	4,241	-	-	-	-
Reversal of Translation effect on demerger	-	-	-	-	-	(6,850)	6,850	-	-	-
Dividend paid in respect of 2015 year	-	-	(128,507)	-	-	-	-	(128,507)	-	(128,507)
Total transactions with owners, recognised directly in equity	-	-	(132,748)	-	-	(2,609)	6,850	(128,507)	-	(128,507)
Balance at 31 March 2016	1,697,617	2,192,640	(173,812)	155,876	143,439	19,094	1,125,368	5,160,222	154,080	5,314,302

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 2016.

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 2016

	Attributable to equity shareholders of the Company						Total equity £
	Share capital £	Share premium £ <i>(Note 1)</i>	Accumulated losses £	Special capital reserve "A" £ <i>(Note 2)</i>	Special capital reserve "B" £ <i>(Note 3)</i>	Translation reserve £	
Balance at 1 April 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
Comprehensive income:							
Profit or loss	-	-	171,767	-	-	-	171,767
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	-	-	-	-	-	146,832	146,832
Total other comprehensive income for the year, net of tax	-	-	-	-	-	146,832	146,832
Total comprehensive income	-	-	171,767	-	-	146,832	318,599
Dividend paid in respect of 2015 year	-	-	(128,507)	-	-	-	(128,507)
Total transactions with owners, recognised directly in equity	-	-	(128,507)	-	-	-	(128,507)
Balance at 31 March 2016	1,697,617	2,192,640	(239,008)	155,876	143,439	1,062,810	5,013,374

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 2016.

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 2016

	<i>Notes</i>	2016 £	2015 £
Cash flows from operating activities			
Profit before income tax		137,711	33,016
Adjustments for:			
Interest expense	12	1,234	1,149
Interest income	8	(959)	(868)
Depreciation of plant and equipment	16	16,546	14,605
Impairment loss recognised on other receivables		21,470	(727,046)
Impairment loss on goodwill		25,830	-
Loss on disposal of plant and equipment	9	-	38
		201,832	(679,106)
Changes in operating assets and liabilities:			
Decrease/(increase) in inventories		111,894	(4,750)
(Increase)/decrease in trade and other receivables		(457,008)	199,516
Increase in trade and other payables		65,846	582,765
Net cash (used in)/generated from operations		(77,436)	98,425
Net cash generated from disposal group	31	99,200	229,339
Net cash generated from operating activities		21,764	327,764
Cash flows from investing activities			
Interest received	8	959	868
Purchase of plant and equipment		(25,558)	(26,886)
Increase in bank deposit		(180,842)	-
Proceeds from disposal of plant and equipment		-	480
Net cash used in disposal group	31	(9,603)	(8,475)
Net cash used in investing activities		(215,044)	(34,013)
Cash flows from financing activities			
Interest paid	12	(1,234)	(1,149)
Dividend paid to shareholders of the Company	15	(128,507)	(95,137)
Repayment of finance lease liabilities		(7,588)	(7,068)
Net cash generated from disposal group	31	51,429	518,555
Net cash (used in)/generated from financing activities		(85,900)	415,201
Net (decrease)/increase in cash and cash equivalents		(279,180)	708,952
Cash and cash equivalents at beginning of year		1,221,707	379,860
Less: cash and cash equivalents from disposal group classified as held for sale	31	(300,527)	-
Effect of foreign exchange rate changes		12,244	132,895
Cash and cash equivalents at end of year	22	654,244	1,221,707

UNIVISION ENGINEERING LIMITED
COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2016

	<i>Notes</i>	2016	2015
		£	£
Cash flows from operating activities			
Profit before income tax		171,768	789,219
Adjustments for:			
Interest expense		1,233	1,149
Interest income		(959)	(869)
Depreciation of plant and equipment	16	16,546	14,605
Loss on disposal of plant and equipment		-	38
Impairment loss recognised on other receivables		21,470	(727,046)
		210,058	77,096
Changes in operating assets and liabilities:			
Decrease/(increase) in inventories		111,894	(4,750)
(Increase)/decrease in trade and other receivables		(457,008)	199,516
Decrease in amount due from a former subsidiary		8,154	28,302
Increase in trade and other payables		65,846	582,765
Net cash (used in)/generated from operating activities		(61,056)	882,929
Cash flows from investing activities			
Interest received		959	869
Purchase of plant and equipment		(25,558)	(26,886)
Increase in bank deposit		(180,842)	-
Proceeds from disposal of plant and equipment		-	480
Net cash used in investing activities		(205,441)	(25,537)
Cash flows from financing activities			
Interest paid		(1,233)	(1,149)
Dividend paid to shareholders of the Company		(128,507)	(95,137)
Repayment of finance lease liabilities		(7,588)	(7,068)
Net cash used in financing activities		(137,328)	(103,354)
Net (decrease)/increase in cash and cash equivalents		(403,825)	754,038
Cash and cash equivalents at beginning of year		1,044,484	160,210
Effect of foreign exchange rate changes		13,585	130,236
Cash and cash equivalents at end of year	22	654,244	1,044,484

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 and its subsidiary (hereinafter collectively referred to as the “Group”) are mainly engaged in the supply, design, installation and maintenance of closed circuit television and surveillance systems and the sale of security system related products. The principal activities of its subsidiary 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 5 in the financial statements.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 2016:

- Amendments to IAS 19 “*Employee benefits: Defined benefit plans: Employee contribution*” introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements.
- Annual improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle contain amendments to nine standards with consequential amendments to other standards. Among them, IAS 24 “*Related party disclosures*” has been amended to expand the definition of a “related party” to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity.

(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 2016 or later periods. However, the Group and the Company have not early adopted them.

- IFRS 9 (2014) “*Financial instruments*”
- 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 IFRS 10 and IAS 28 “*Sale or contribution of assets between an investor and its associate or joint venture*”
- 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 2016.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 entities is summarised as follows:

- | | | |
|----------------------------------|--------------------|----------|
| 1. UniVision Engineering Limited | Hong Kong Dollars | ("HK\$") |
| 2. T-Com Technology Co. Limited | New Taiwan Dollars | ("NTD") |

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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’s 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

<u>Type of item</u>	<u>Nature and terms of item</u>
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 subsidiary, 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.21 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 2016, the total carrying amount of the Group's trade and other receivables was £5,525,191 (2015: £7,296,438) and the total carrying amount of the Company's trade and other receivables was £5,525,191 (2015: £4,812,753).

(iii) 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 2016, the Group has unused tax losses of £4,657,046 (2015: £4,746,391) available for offset against future profits. A deferred tax asset of £768,413 (2015: £783,154) 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2016</u>	<u>2015</u>
	£	£
Financial assets:		
Loans and receivables		
- Trade and other receivables	2,460,855	4,323,003
- Bank deposits	448,056	251,641
- Cash and bank balances	654,244	1,221,707
	<hr/>	<hr/>
Financial liabilities:		
- Trade and other payables	2,505,939	3,242,616
- Loan and borrowings	-	1,122,052
- Obligation under finance lease	660	8,335
	<hr/>	<hr/>

(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	
	2016	2015	2016	2015	2016	2015	2016	2015
NTD	-	123,413,717	-	100,013,562	-	-	-	-
RMB	53,775	1,129	541,544	5,009,660	53,775	-	541,544	5,009,660
USD	40,506	54,560	2,732	21,320	40,506	-	2,732	-
HK\$	3,230,940	34,982,030	1,832,885	19,577,077	3,230,940	34,980,407	1,832,885	19,481,353

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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% (2015: 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% (2015: 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% (2015: 5%) against the relevant foreign currencies. For a 5% (2015: 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.

	<u>2016</u> £	<u>2015</u> £
NTD		
Post-tax profit for the year	-	26,609
RMB		
Post-tax (loss)/profit for the year	(25,672)	(28,670)
USD		
Post-tax profit for the year	1,988	1,188
HKS		
Post-tax profit for the year	73,582	70,595

(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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 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 2015.

For the year ended 31 March 2016, 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 £0 (2015: £2,117).

(ii) Credit risk

At 31 March 2016, 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 2016, the Group had aggregate banking facilities of £438,574 (2015: £2,412,189), of which £438,574 were unused (2015: £1,290,137).

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

	2016				Total undiscounted cash flow £	Carrying amount at 31 March 2016 £
	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 £		
Non-derivative financial liabilities:						
Loan and borrowings	3.64% - 3.76%	-	-	-	-	-
Trade and other payables		2,505,939	-	-	2,505,939	2,505,939
Obligations under finance lease	3.25%	768	-	-	768	660
		<u>2,506,707</u>	<u>-</u>	<u>-</u>	<u>2,506,707</u>	<u>2,506,599</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk (continued)

The Group

	2015					Carrying amount at 31 March 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 £	
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
		<u>4,378,677</u>	<u>745</u>	<u>-</u>	<u>4,379,422</u>	<u>4,373,003</u>

The Company

	2016					Carrying Amount at 31 March 2016 £
	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 £	
Non-derivative financial liabilities:						
Trade and other payables		2,505,939	-	-	2,505,939	2,505,939
Obligations under finance lease	3.	768	-	-	768	660
		<u>2,506,707</u>	<u>-</u>	<u>-</u>	<u>2,506,707</u>	<u>2,506,599</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk (continued)

The Company

	2015					Carrying Amount at 31 March 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 £	
Non-derivative financial liabilities:						
Trade and other payables		2,257,803	-	-	2,257,803	2,257,803
Obligations under finance lease	3	8,944	745	-	9,689	8,335
		<u>2,266,747</u>	<u>745</u>	<u>-</u>	<u>2,267,492</u>	<u>2,266,138</u>

(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. Balance with a subsidiary is 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Capital risk management (continued)

During 2016, the Group's strategy, which was unchanged from 2015, 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 its subsidiary is 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	
	2016	2015	2016	2015
	£	£	£	£
Current liabilities				
Trade and other payables	2,505,939	3,242,616	2,505,939	2,257,803
Loan and borrowings	-	1,122,052	-	-
Current tax liability	-	34,442	-	-
Obligation under finance lease	660	7,694	660	7,694
	2,506,599	4,406,804	2,506,599	2,265,497
Non-current liabilities				
Obligation under finance lease	-	641	-	641
Liabilities of disposal group classified as held for sale	3,214,990	-	-	-
Total debt	5,721,589	4,407,445	2,506,599	2,266,138
Less: cash and bank balances	654,244	1,221,707	654,244	1,044,484
Net debt	5,067,345	3,185,738	1,852,355	1,221,654
Total equity	5,314,302	5,641,264	5,013,374	4,823,282
Net debt-to-adjusted capital ratio	95%	56%	37%	25%

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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 has a single reportable operating segment in security and surveillance business for the year ended 31 March 2016.

Previously, the Group's electrical and mechanical business was discontinued and demerged from the Group by distribution of a dividend in specie to its shareholders on 31 March 2015.

(a) Segment revenues and results

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

	<u>2016</u>	<u>2015</u>
	£	£
Segment revenue by major products and services:		
- Construction contracts	2,414,362	1,631,683
- Maintenance contracts	1,194,680	1,692,765
- Product sales	<u>257,479</u>	<u>351,046</u>
Revenue from continuing operations	3,866,521	3,675,494
Revenue from discontinued operations	<u>3,547,320</u>	<u>3,038,497</u>
Revenue from external customers	<u><u>7,413,841</u></u>	<u><u>6,713,991</u></u>
From continuing operations:		
Segment profit	138,945	34,165
Finance costs	<u>(1,234)</u>	<u>(1,149)</u>
Profit before income tax	<u><u>137,711</u></u>	<u><u>33,016</u></u>

(b) 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.

(c) Information about major customers

Revenues of approximately £2,791,170 (2015: £1,695,699) are derived from two external customers (2015: one), who contributed to 10% or more of the Group's revenue for 2016.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

8. OTHER INCOME

	<u>2016</u>	<u>2015</u>
	£	£
Continuing operations		
Interest income	959	868
Sundry income	<u>8,159</u>	<u>1,440</u>
	<u><u>9,118</u></u>	<u><u>2,308</u></u>

9. OTHER GAINS AND LOSSES

	<u>2016</u>	<u>2015</u>
	£	£
Continuing operations		
Loss on disposal of plant and equipment	-	(38)
Foreign exchange gain	10,570	5,593
Impairment loss recognised on other receivables	(21,470)	(40,594)
Impairment loss on goodwill	<u>(25,830)</u>	<u>-</u>
	<u><u>(36,730)</u></u>	<u><u>(35,039)</u></u>

10. EXPENSES BY NATURE

	<u>2016</u>	<u>2015</u>
	£	£
Continuing operations		
Cost of inventories recognised as expenses	1,089,060	1,192,555
Sub-contracting costs	882,503	964,280
Depreciation – leased plant and equipment	-	8,835
Depreciation – owned plant and equipment	16,546	5,770
Operating lease charges – minimum lease payments	24,260	79,627
Research and development costs	47,763	13,204
Selling and distribution cost	116,905	23,678
Other expenses	315,496	252,081
Staff costs, including directors' remuneration		
- Wages and salaries	1,122,792	990,016
- Pension scheme contributions	<u>49,445</u>	<u>41,284</u>
	<u><u>1,172,237</u></u>	<u><u>1,031,300</u></u>
Auditor's remuneration		
- audit services (parent company)	<u>35,194</u>	<u>37,268</u>
Total cost of sales, selling and distribution, administrative expenses	<u><u>3,699,964</u></u>	<u><u>3,608,598</u></u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

11. DIRECTORS' REMUNERATION

Directors' remuneration for the year is disclosed as follows:

	<u>Salaries, bonuses and allowances</u> £	<u>Pension scheme contributions</u> £	<u>2016</u> £
Executive directors			
Stephen Sin Mo KOO	-	-	-
Yip Tak CHAN	49,760	1,546	51,306
Chun Pan WONG	62,371	1,546	63,917
Danny Kwok Fai YIP	49,524	1,546	51,070
	<u>161,655</u>	<u>4,638</u>	<u>166,293</u>
Non-executive director			
Nicholas James LYTH	12,367	-	12,367
	<u>174,022</u>	<u>4,638</u>	<u>178,660</u>

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

12. FINANCE COSTS

	<u>2016</u> £	<u>2015</u> £
Continuing operations		
Finance charge on obligation under finance lease	<u>1,234</u>	<u>1,149</u>
	<u><u>1,234</u></u>	<u><u>1,149</u></u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	<u>2016</u> £	<u>2015</u> £
Income tax expense from continuing operations		
Hong Kong profits tax	-	-

Hong Kong profits tax is charged at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong. 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.

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

	<u>2016</u> £	<u>2015</u> £
Continuing operations:		
Profit before income tax	<u>137,711</u>	<u>33,016</u>
Notional tax on profit before income tax, calculated at the rates applicable to profit in the tax jurisdictions concerned	22,722	5,448
Tax effect of non-taxable income	(2,495)	(143)
Tax effect of non-deductible expenses	18,952	6,698
Tax effect of temporary differences not recognised	(4,408)	(2,403)
Utilisation of tax losses brought forward not previously recognised as deferred tax assets	<u>(34,771)</u>	<u>(9,600)</u>
Income tax expense	<u>-</u>	<u>-</u>

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the loss attributable to the equity shareholders of the Company for the year of £112,211 from continuing and discontinued operations (2015: profit of £59,937) and the profit for the year of £137,711 (2015: £33,016) on continuing operations, and the weighted average of 383,677,323 (2015: 383,677,323) ordinary shares in issue during the year.

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

15. DIVIDENDS

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

	<u>2016</u> £	<u>2015</u> £
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 0.037 pence per ordinary share (2015: 0.034 pence per ordinary share)	<u>141,083</u>	<u>130,286</u>

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

	<u>2016</u> £	<u>2015</u> £
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.034 pence per ordinary share (2015: 0.024 pence per ordinary share)	<u>134,201</u>	<u>130,561</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

16. PLANT AND EQUIPMENT

The Group

	Furniture and fixtures	Computer equipment	Motor vehicles	Research assets	Total
	£	£	£	£	£
Cost					
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
At 1 April 2015	217,418	177,581	166,440	558,177	1,119,616
Additions	13,725	13,657	7,825	-	35,207
Classified as assets held for sale	(211,311)	(136,085)	(90,562)	(582,352)	(1,020,310)
Foreign translation difference	9,549	7,670	6,162	24,175	47,556
At 31 March 2016	29,381	62,823	89,865	-	182,069
Accumulated depreciation					
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
At 1 April 2015	204,511	167,715	141,584	558,177	1,071,987
Charge for the year	18,835	8,678	13,042	-	40,555
Classified as assets held for sale	(212,899)	(135,629)	(87,745)	(582,352)	(1,018,625)
Foreign translation difference	8,780	7,020	5,548	24,175	45,523
At 31 March 2016	19,227	47,784	72,429	-	139,440
Net book value					
At 31 March 2016	10,154	15,039	17,436	-	42,629
At 31 March 2015	12,907	9,866	24,856	-	47,629

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 £0 (2015: £8,835).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

16. PLANT AND EQUIPMENT (CONTINUED)

The Company

	Furniture and fixtures	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
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
At 1 April 2015	19,459	47,145	81,690	148,294
Additions	8,810	13,657	3,092	25,559
Foreign translation difference	976	2,022	2,591	5,589
At 31 March 2016	29,245	62,824	87,373	179,442
Accumulated depreciation				
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
At 1 April 2015	15,580	39,852	60,614	116,046
Charge for the year	2,913	6,450	7,183	16,546
Foreign translation difference	599	1,482	2,140	4,221
At 31 March 2016	19,092	47,784	69,937	136,813
Net book value				
At 31 March 2016	10,153	15,040	17,436	42,629
At 31 March 2015	3,879	7,293	21,076	32,248

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

17. GOODWILL

The Group

	£
Cost	
At 1 April 2015 and 31 March 2016	<u>961,845</u>
Less: accumulated impairment loss	
At 1 April 2015	936,015
Less: impairment loss	<u>25,830</u>
At 31 March 2016	<u>961,845</u>
Net carrying amount	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>25,830</u>

18. INTEREST IN A SUBSIDIARY

	<u>2016</u>	<u>2015</u>
	£	£
Unlisted shares, at cost	639,965	639,965
Less: impairment loss	<u>(625,005)</u>	<u>(625,005)</u>
	<u>14,960</u>	<u>14,960</u>
Amount due from a subsidiary	<u>84,540</u>	<u>91,424</u>
Total	<u>99,500</u>	<u>106,384</u>

Amount due from a subsidiary is unsecured, interest-free and expected to be recoverable within twenty four (24) months.

The following list contains the particulars of subsidiary which principally affected the results, assets and liabilities of the Group during the year ended 31 March 2016:

<u>Name</u>	<u>Place of incorporation and operations</u>	<u>Issued and fully paid up share capital/ registered capital</u>	<u>Percentage of equity held by the Company</u>		<u>Principal activities</u>
			<u>Directly</u>	<u>Indirectly</u>	
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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

19. INVENTORIES

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials	372,691	477,295	373,855	477,295
Work in progress	-	-	-	-
Finished goods	376,498	832,710	376,498	364,615
	749,189	1,310,005	750,353	841,910
Less: impairment loss	-	(104,541)	-	-
	749,189	1,205,464	750,353	841,910

The Group recognised a provision for obsolete inventories of £0 (2015: £9,660) on slow-moving inventories.

20. CONTRACTS-IN-PROGRESS

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Contract costs incurred plus attributable profits less foreseeable losses	20,443,032	19,237,828	20,443,032	17,420,721
Progress billings to date	(20,662,966)	(18,197,386)	(20,662,966)	(17,936,359)
	(219,934)	1,040,442	(219,934)	(515,638)
Represented by:				
Amounts due from customers for contracts-in-progress	1,281,429	2,411,247	1,281,429	813,681
Less: allowance for doubtful debts	(235,060)	(206,436)	(235,060)	(206,436)
Amounts due from customers for contracts-in-progress, net (note 21)	1,046,369	2,204,811	1,046,369	607,245
Amounts due to customers for contracts-in-progress (note 23)	(1,266,303)	(1,164,369)	(1,266,303)	(1,122,883)
	(219,934)	1,040,442	(219,934)	(515,638)

At 31 March 2016, the amount of retention receivables from construction customers recorded within "trade and other receivables" is £0 (2015: £49,122).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

21. TRADE AND OTHER RECEIVABLES

	<u>The Group</u>		<u>The Company</u>	
	2016	2015	2016	2015
	£	£	£	£
<u>Current portion:</u>				
Trade receivables	985,103	1,156,106	985,103	769,265
Less: allowance for doubtful debts (note 21(a))	(67,089)	(191,806)	(67,089)	(65,131)
Trade receivables, net (note 21(b))	918,014	964,300	918,014	704,134
Other receivables	448,134	494,783	448,134	397,233
Deposits and prepayments	48,338	659,109	48,338	130,706
Amounts due from customers for contracts-in-progress, net (note 20)	1,046,369	2,204,811	1,046,369	607,245
	2,460,855	4,323,003	2,460,855	1,839,318
<u>Non-current portion:</u>				
Amount due from a related party (note 29(d))	3,064,336	2,973,435	3,064,336	2,973,435
Total carrying amount	5,525,191	7,296,438	5,525,191	4,812,753

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

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:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	£	£	£	£
At 1 April	191,806	469,128	65,131	57,942
Recovery from bad debts	-	(16,508)	-	-
Transfer to disposal group classified as held for sale	(126,675)	-	-	-
Foreign translation difference	1,958	(260,814)	1,958	7,189
	<u>67,089</u>	<u>191,806</u>	<u>67,089</u>	<u>65,131</u>
At 31 March	67,089	191,806	67,089	65,131

At 31 March 2016, none of trade receivables of the Group and the Company are individually determined to be impaired and no impairment loss was provided.

(b) Trade receivables that are not impaired

The ageing analysis of trade receivables at the end of the reporting period that were past due but not impaired:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	£	£	£	£
0 to 90 days	79,590	856,306	79,590	645,262
91 to 365 days	838,424	56,218	838,424	55,766
Over 365 days	-	51,776	-	3,106
	<u>918,014</u>	<u>964,300</u>	<u>918,014</u>	<u>704,134</u>

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

22. CASH AND BANK BALANCES

(a) Cash and cash equivalents

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Cash at bank and on hand	654,244	1,099,861	654,244	1,044,484
Restricted cash *	-	121,846	-	-
Cash and cash equivalents in the Consolidated and the Company statements of cash flows	654,244	1,221,707	654,244	1,044,484

* At 31 March 2016, the Group maintained £0 (2015: £121,846) as restricted cash held at bank as security against the banking facilities (note 25).

(b) Bank deposits

At 31 March 2016, £448,056 (2015: £251,641) 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 (2015: 0.41%).

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

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
AUD	337	327	337	327
CAD	803	798	803	798
GBP	98,028	115	98,028	115
HKD	919,415	1,263,290	919,415	1,263,148
JYP	74	67	74	67
NTD	-	175,935	-	-
RMB	48,540	-	48,540	-
USD	35,103	32,816	35,103	31,670
	1,102,300	1,473,348	1,102,300	1,296,125

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

23. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Trade payables	129,182	585,931	129,182	79,176
Bills payable	-	197,437	-	-
Due to related parties (note 29(a) & 29(b))	111,440	148,540	111,440	6,791
Accruals and other payables	999,014	1,146,339	999,014	1,048,953
Amounts due to customers for contracts-in-progress (note 20)	1,266,303	1,164,369	1,266,303	1,122,883
	2,505,939	3,242,616	2,505,939	2,257,803

24. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current tax liability in the statement of financial position represents:

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Hong Kong profits tax	-	-	-	-
Taiwan income tax (disposal group classified as held for sale)	-	34,442	-	-
	-	34,442	-	-

(b) Unrecognised deferred tax assets

At 31 March 2016, the Company had unused tax losses of £4,705,477 (2015: £4,746,391) that were available for offset against future taxable profits of the Company. No deferred tax asset has been recognised due to the uncertainty of the future profit streams.

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

25. LOAN AND BORROWINGS

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year or on demand: Secured bank loans (see note below)	-	1,122,052	-	-

Note:

The secured bank loans carried interest at rates ranging from 3.49% to 3.68% per annum (2015: 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 2016 and 2015, the Group and the Company had obligations under finance lease as follows:

	Minimum lease payment		Present value of the minimum lease payment	
	2016	2015	2016	2015
	£	£	£	£
Within one year	768	8,944	660	7,694
Between two to five years	-	745	-	641
Total minimum finance lease payments	768	9,689	660	8,335
Less: future finance charges	108	1,354		
Present value of lease obligation	660	8,335		

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

27. SHARE CAPITAL

	<u>2016</u>	<u>2015</u>
	£	£
Authorised :		
800,000,000 ordinary shares of HK\$0.0625 each	<u>3,669,470</u>	<u>3,669,470</u>
Issued and fully paid:		
383,677,323 ordinary shares (2015: 383,677,323 ordinary shares) of HK\$0.0625 each	<u>1,697,617</u>	<u>1,697,617</u>

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 2015). 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, with the contribution invested 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

29. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

	<u>2016</u>	<u>2015</u>
	£	£
Salaries, bonus and allowances	<u>229,461</u>	<u>226,725</u>

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 2016, there is a payable balance of £111,440 (2015: £202) 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 2016, there is a payable balance of £0 (2015: £140,436) due to non-controlling shareholders of the subsidiary of the Company, which is unsecured, interest-free and repayable on demand.
- (c) At 31 March 2016, the bank facilities amounting to £1,552,259 (2015: £1,037,063) are personally guaranteed by Mr. Stephen Sin Mo KOO. No charge has been requested for this guarantee (note 25).
- (d) At 31 March 2016, there is a receivable balance of £3,064,336 (2015: £2,973,435) due from a related company controlled by common shareholders of the Company, which is unsecured, interest-free and not expected to be recoverable in the next twelve months.

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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

30. COMMITMENTS

(a) Capital commitments

At 31 March 2016, the Group and the Company had 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	
	2016	2015	2016	2015
	£	£	£	£
Within one year	74,890	93,041	74,890	50,872
Between two to five years	23,473	46,633	23,473	46,633
	98,363	139,674	98,363	97,505

31. OPERATIONS CLASSIFIED AS HELD FOR SALE

On 30 March 2016, the Company approved a plan to dispose of its interest in T-Com, representing a 52.25% equity interest. The assets and liabilities related to T-Com have been presented as a disposal group held for sale and its business has been reported under discontinued operations in the financial statements.

Assets and liabilities of disposal group classified as held for sale:

	£
ASSETS:	
Plant and equipment	15,091
Trade and other receivables	3,300,964
Cash and cash equivalents	300,527
Total assets	3,616,582
LIABILITIES:	
Trade and other payables	3,214,990
Total liabilities	3,214,990
Net asset value	401,592

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

31. OPERATIONS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The results of the discontinued operations of the disposal group classified as held for sale:

	<u>2016</u>	<u>2015</u>
	£	£
Revenue from discontinued operation	3,547,320	3,038,497
Cost of sales	(3,289,203)	(2,271,662)
Gross profit	258,117	766,835
Other income	421	618
Other gains	18,997	38,123
Administrative expenses	(788,291)	(708,403)
(Loss)/profit from discontinued operations	(510,756)	97,173
Income tax credit	32,436	13,023
(Loss)/profit for the year, net of tax	(478,320)	110,196
	<u>2016</u>	<u>2015</u>
	£	£
Cash flows from discontinued operation:		
Net cash inflows from operating activities	99,200	229,339
Net cash outflows from investing activities	(9,603)	(8,475)
Net cash inflows from financing activities	51,429	518,555
Effect of foreign exchange changes, net	(17,722)	2,659
	<u>123,304</u>	<u>742,078</u>

32. CONTINGENT LIABILITIES

In March 2016, the Company received a writ of summons stating that it is being sued by Nan Ning Hai Li Real Estate Development Limited (“Hai Li”), a prospective investor in respect of breach of contract and/or duty in respect of a share transfer agreement (the “Agreement”) entered into between Hai Li and the Company’s director and major shareholder, Mr Koo, on 14 December 2015 and a subsequent series of oral agreements.

The Group and the Company are of the opinion that the claim is highly opportunistic and without merit and the management intends to defend this claim vigorously.

33. COMPARATIVE FIGURES

Certain comparative figures in these financial statements have been restated to account for the reclassification of the discontinued operations of the proposed disposal of the Company’s interest in T-com.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

34. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (i) On 30 June 2016, the Company entered into an agreement in principle to sell its Taiwanese subsidiary T-Com Technology Co. Ltd (“T-Com”) to Stephen Koo, the Executive Chairman of the Company and who is interested in 72.9% of its share capital.

The terms of the Transaction are as follows:-

1. The Company disposes of its entire holding of shares in T-Com to Stephen Koo.
 2. The cash consideration for the transaction is HK\$600,000.
 3. All amounts due to the Company by T-Com to be settled within 24 months of the transaction.
 4. The Company will have an option to repurchase its shareholding in T-Com for the same consideration of HK\$600,000, plus 3% per annum, as the repurchase price for a period of 5 years from the sale of the shares.
- (ii) On 17 August 2016, 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 2 September 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2016 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 30 September 2016 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 2016 together with the Directors' report and the Independent Auditor's report;
2. To declare a final dividend for the financial year ended 31 March 2016.
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. Chun Pan WONG who retired by rotation, as a Director of the Company;
5. To re-elect Mr. Peter Yip Tak CHAN 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
Mr. Stephen Sin Mo KOO
Executive Chairman

2 September 2016

Registered office:
Unit 01A, 2/F Sunbeam Centre,
27 ShingYip Street
Kwun Tong, Kowloon,
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 16 September 2016 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.