UniVision Engineering Limited

Annual Report
Year ended 31 March 2017

UNIVISION ENGINEERING LIMITED
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BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

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

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

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

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

AIM Stock Code
UVEL

Company Secretary
Danny Kwok Fai YIP

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Hong Kong and Shanghai Banking Corporation
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Auditor
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UK

INTRODUCTION

I am pleased to report the Group's audited results for the financial year ended 31 March 2017.

Turnover from continuing operations in the year increased by 8.6% (*underlying rate) to £4.8m (2016: £3.87m). This increase was mainly due to the 13% growth in construction contracts.

The new major contract with MTR Corporation Limited ("MTRC") in Hong Kong awarded in May 2017 is a milestone for Company. The Board expects that the Company will achieve a substantial growth in the business in the coming years.

In maintaining its dividend policy, the Board declares a final dividend of 0.41 HK cents (gross) per share for the financial year ended 31 March, 2017 (2016: 0.41 HK cents)

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

NEW MAJOR CONTRACT WITH MTRC

As announced on 12 May 2017, the Company won a major contract valued at HK$389.4m (£38.1m) with MTRC following a tender process. The contract provides for the replacement works of the Closed Circuit Television (CCTV) systems for numerous railway lines of MTRC. The Company will replace the existing analogue CCTV system installed in the stations along the specified lines with a unified IP-based CCTV system.

The Company was awarded this contract in the face of severe competition from major multinational companies that have operations focusing on closed circuit television and surveillance systems. The Management and the project team members have devoted their time and effort on the Pre-Qualification and tendering process. .

The Contract commenced in mid May 2017 and the completion date for the replacement works is anticipated to be in November 2023. The Board expects revenue from the Project to be generated in the financial year ending 31 March 2018.

Currently, the Company is working on the design stage, including the system-level design. The first billing to the customer is expected in the 4th calendar quarter of 2017. The Company has solid and proven experience in installing CCTV systems. The Board is confident that the Company will be able to fulfill all requirements under the contract in a professional manner.

The Company acts as the main contractor for the project. In accordance with the contract, the Company is required to provide a performance bond equivalent to 3% of the contract sum, i.e. HK$11.7m. In order to release liquidity for business development, the Board is considering offers (without 100% collateral) from a leading bank and insurance company to provide the required guarantee to MTRC .

The Board is now reviewing and negotiating with suppliers and sub-contractors for more favourable credit terms. With effective control of working capital flow, the requirement for additional funding will be minimised. Nevertheless, the Board will monitor the status of working capital and consider the external banking facilities or other funding if necessary.

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 prior to disposal by the Group is classified as discontinued operations. The loss from the discontinued operations during the year was £41K (2016: £478K). As announced on 28 June 2016, the Group 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 profit from the continuing operations attributable to the equity holders of the Company is £452K (2016: £138K).
The improvement in results performance in the year is mainly attributable to, among other things,:-
i) 13% growth in the income from construction contracts;
ii) The improved gross profit margin from maintenance contracts;
iii) Gain from disposal of the Taiwanese subsidiary and
iv) Relative strengthening of HK$ for the year vs year 2016 which led to an appreciation in the GBP reported amount.

Having regard to the low economic growth and keen competitive environment, the Directors are satisfied by this result.

The Group generated positive net cash of £409K from its continuing operating activities in the year (2016: £61K cash outflow). The Hong Kong company, in which the continuing operations are based, has no bank loan and maintained a cash balance of £1.19m at the year end. The net working capital at the year end was £2.5m (2016: £1.8m). The Directors attribute this to close monitoring and effective control of working capital.

During the year under review the relative strengthening of the HK$ against GBP has led to a 12.4% appreciation in the GBP reported amount in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Also, a relative strengthening of HK$ at the year-end has led to a 13% appreciation in the GBP reported amount in the Consolidated Statement of Financial Position. All figures in the Financial Statements therefore need to be adjusted for comparison purposes. All comparative % stated in the Chairman's Statement are adjusted to show the underlying change (net of translation effect on foreign exchange).

*All comparative % stated in the Chairman's Statement are adjusted to show the underlying change (net of translation effect on foreign exchange).

Turnover from continuing operations in the year was increased by 8.6% to £4.8m (2016: £3.87m). This increase was mainly due to the significant growth in construction contract income. The revenue from construction contracts (excluded the discontinued operations) increased by 13% compared with last year.

The growth of construction revenue was mainly due to income generated from the following contracts:-
Hong Kong-Zhuhai-Macao Bridge Project
The MTR South Island Line Project
Central Wanchai By Pass Project
Modern Terminal Upgrade Project
Tseng Kwan O Tunnel Project

In addition, construction contracts including the installation, relocation, modification and replacement works provided by MTR Corporation Limited also contributed to the increase. These projects show the Company's ability to deliver on projects in a highly competitive environment.

On the other hand, the revenue from the Group's maintenance contracts (excluding the discontinued operations) was only moderate with growth of 2.6%. The slow growth was mainly due to the change of scope in the services provided under the existing maintenance contract with MTRC; a three year contract commencing from 1 January 2015 to 31 January 2017. In addition, the new major CCTV replacement project for the railway lines of MTRC led to low demand for maintenance works. The maintenance contract and its sub-contracts provided regular cash flow for the Group's operations.

Gross profit margin for continuing operations increased to 34% (2016: 32%). The major reason was the increase in gross profit from 34% to 37% in the Group's maintenance contracts. The increment was attributable to orders with comparatively high profit margins. The effective and efficient control of human resources, material costs, logistics and sub-contracting charges also contributed to the increment. Also, the gross profit margin for the Group's maintenance business for the year improved due to the initial purchase cost for installation of equipment in the main maintenance contract with MTRC being incurred last year. The gross profit margin for the Group's construction business for the year remained stable at 34% (2016: 33%).

Administration expenses for continuing operations decreased by 3.5% to £1.05m (2016: £955K). This was achieved by the effective control of human resources and other overheads.

Net profit before income tax from continuing operations was £452K (2016:£138K). Basic profit from continuing operations per share for this year was 0.11p (2016: 0.04p).

There was no significant capital investment during 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, 2017 (2016: 0.41 HK cents). The dividend timetable is as follows:

Ex date	14 September 2017
Record date	15 September 2017
Payment date	9 October 2017

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 as a Service Market 2017-2021 the market will grow at a Compound Annual Growth Rate of 27.45 per cent during the period 2017 to 2021.

The increasing demand for wireless network infrastructure is the key growth driver for this market. The demand to replace analogue systems with Internet protocol based systems is also expected to boost the market in the forecast period. The new major contract with MTRC that replacing CCTV cameras from analogue-based with IP-based units is a good example for the demand.

Demand for the IP cameras remain strong because they are more cost effective and secure than analogue cameras. To capture the opportunities in Internet Protocol and High Definition CCTV System technology, UniVision will continue commit resources to develop new technologies and solutions.

The Board anticipates demand for Security and Surveillance Systems from local government infrastructure projects and the private sector to increase in coming years.

The Board believes that being awarded the major contract by MTRC will provide UniVision with an opportunity to market its brand to purchasers of similar systems outside Hong Kong. For example, the One Belt, One Road ("OBOR") initiative, is a significant development strategy by the PRC government that provides infrastructure project pipelines along the Belt and Road. It is also a new business opportunity for the Company.

Facing increasing competition, the Company is considering exploring other market segments, such as rolling stock business in railway, to strengthen the business growth.

Business

During the year, the Company actively participated in the tendering process for the CCTV Replacement project for Hong Kong MTRC. As announced on 12 May 2017, the Contact was awarded to the Company in May 2017. Under the contract, the Company is responsible for the replacement and provision of the CCTV systems for 84 MTR stations and 69 stops of Light Rail. There may be the opportunity to win additional other potential contracts from MTR Corporation that are associated with the main contract. The additional works valued at HK$7m (£0.7m) for the provision of Optical Fibre Cables for Tseung Kwan O Line Tunnel Sections, as announced on 21 June 2017, is a good example of this.

Under the major contract, the Company acts as network service provider in the application of CCTV systems. The Board considers the viability for the Company entering the new business as a provider of network service and information technology in the application in other fields.

Customers

The Company's 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, unchanged from 2016.

To avoid the concentration of customers, the Company intends to diversify its customers base particularly to the private and domestic sectors.

PROSPECTS

The Board expects that the high demand for its network and high definition security and surveillance system will provide the ground for the Company to grow in these markets.

With regard to resources and capacity, the Company continues to tender for new contracts. Some major infrastructure projects, such as the Hi Speed Rail Hong Kong line, are due to be completed in the coming years, therefore the Board is confident with the prospects for business growth.

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

MR. STEPHEN SIN MO KOO
EXECUTIVE CHAIRMAN

4 September 2017

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

DIRECTORS' BIOGRAPHIES

Nicholas James LYTH – Non-executive Director (aged 51)

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. Mr. Nyth is the Chairman of the Audit Committee and the Remuneration Committee.

Stephen Sin Mo KOO – Executive Chairman (aged 60)

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. Mr. Koo is a member of the Audit Committee and the Remuneration Committee.

Chun Pan WONG – Chief Executive Officer (aged 57)

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 53)

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 fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. He also acts as Company Secretary for the Corporation.

Peter Yip Tak CHAN – Director of Sales and Marketing (aged 53)

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 42)

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.

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 2017.

Principal Activities and Segment Analysis Operations

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. An analysis of the Group's performance by business segments is set out in note 7 to the financial statements.

Continuing Operations

Continuing operations represent the Group's Security and Surveillance Systems business undertaken by the Hong Kong Company.

Discontinued Operation

The Group discontinued its security and surveillance systems business undertaken by the Taiwan Subsidiary as at 31 March, 2017 by selling its entire holding interest to the Group's Executive Chairman. The details of transaction are set out in note 17 to the financial statements.

Review of the Business

Details on the assessment and analysis of the Group's performance and its material factors underlying its results and financial position and its future development are included in the Chairman's Statement.

Financial Position

The Group's profit for the year ended 31 March 2017 and the state of affairs of the Group at that date are set out in the consolidated statement of profit or loss and other comprehensive income on page 27 and in the consolidated statement of financial position on page 28, respectively.

The Group's and the Company's changes in shareholders' equity for the year ended 31 March 2017 are set out in the consolidated and the Company's statement of changes in equity on page 30 and 31, respectively.

The Group's and the Company's cash flow for the year ended 31 March 2017 is set out in the consolidated and the Company's statement of cash flows on pages 28 to 29.

Key Performance Indicators (KPI)
Continuing operations

			2017	2016
Current Ratio:	Current Assets / Current Liabilities	:	1.8	1.8
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Sales per day	:	40 days	87 days
Inventory Turnover :	Cost of sales / Inventories	:	2.9	3.5
Gross profit Margin :	Gross profit / Sales	:	34%	32%
Return on Invested Capital :	Operating profit/Net assetws	:	7%	3%
Quick Ratio :	(Current Assets –Inventories)/ Current Liabilities	:	1.4	1.4

Key Performance Indicators (KPI)
Continuing and discontinuing operations

			2017	2016
Current Ratio:	Current Assets / Current Liabilities	:	1.8	1.4
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Sales per day	:	40 days	48 days
Inventory Turnover :	Cost of sales / Inventories	:	2.9	5.5
Gross profit Margin :	Gross profit / Sales	:	34%	20%
Return on Invested Capital :	Operating profit / Net assets	:	7%	n/a
Quick Ratio :	(Current Assets –Inventories)/ Current Liabilities	:	1.4	1.2

Share Capital and Reserves

Details of the movements in share capital are set out in note 24 on page 70.
The movements in reserves during the year are set out in the consolidated statement of changes in equity on page 30.

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 2017.

Plant and Equipment

Details of the movements in plant and equipment are set out in note 16 on pages 62 to63.

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

Directors' Interests in Contracts

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

Directors' Interests in Shares

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

	Ordinary Shares held as at 31 March 2017
Stephen Sin Mo KOO	279,703,700*
Nicholas James LYTH	-
Chun Pan WONG	-
Danny Kwok Fai YIP	-
Peter Yip Tak CHAN	-

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

Following the share transaction on 8 July 2011, the entire stake of UniVision Holdings Limited (it holds 183,736,000 shares of the Company) was transferred to Up Sky Investments Limited, a company that is wholly owned by Mr. Stephen Koo.

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 2017, the Directors had been informed of the following companies that held 3% or more of the Company's issued ordinary share capital:

	Numberof 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	39,217,710	10.2
Beaufort Nominees Limited	24,949,998	6.5

[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 £98 charitable contributions (2016: £86.). No political contribution was made.

Environmental Policy

The Group aims to protect the environment by minimising environmental adverse in daily operations and encourage recycling for more efficient use of resources. Besides, energy efficiency practices to reduce the energy consumption. Air conditioning, electricity and water conservation have been closely monitored and reviewed too maintain an efficient operation. Proper treatment of industrial wastes and hazardous material has been put in practice.

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 29 September 2017 at 5:00 p.m. The Notice of Meeting appears on page 74.

Annual Report

The annual report for the year ended 31 March 2017 will be uploaded on the Company's website www.uvel.com on 4 September 2017 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.

By Order of the Board

Mr. Stephen Sin Mo KOO
Executive Chairman

Hong Kong
4 September 2017

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 £	**2017 Total** £	2016 Total £
Executive Directors					
Stephen Sin Mo KOO	-	-	-	-	-
Chun Pan WONG	68,307	1,765	7,028	**77,100**	63,917
Danny Kwok Fai YIP	54,647	1,765	5,397	**61,809**	51,070
Peter Yip Tak CHAN	54,908	1,765	4,519	**61,192**	51,307
Non-executive Director					
Nicholas James LYTH	14,122	-	-	**14,122**	13,769

Directors' Interests in Contracts and Interests in Shares

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

REPORT ON CORPORATE GOVERNANCE

Introduction

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

Board of Directors

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

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

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

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

Nomination Committee

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

Audit Committee

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

The responsibilities of the Committee are to:

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

Remuneration Committee

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

The responsibilities of the Committee are to:

- determine the specific remuneration package for each Director including Director's fees, salaries, allowances, bonuses, options, benefits-in-kind; and
- seek 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.

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 Annual Report and the financial statements in accordance with applicable law and regulations.

The Directors are responsible for preparing financial statements for each financial year. The Directors have elected to prepare the Group's financial statements in accordance with International Financial Reporting Standards (IFRSs). The Directors must not approve the financial statements unless they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 adequate accounting records that are sufficient to show and explain the Group's transaction and disclose with reasonable accuracy at any time the financial position of the Company and the Group. They have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Group's website. The Group is compliant with AIM Rule 26 regarding the Group's website.

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

OPINION

We have audited the consolidated financial statements of UniVision Engineering Limited (the "Company") and its subsidiary (collectively referred to as the "Group") set out on pages 27 to 73, which comprise the Consolidated and the Company Statement of Financial Position as at 31 March 2017, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and the Company Statement of Changes in Equity, 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.

In our opinion, the accompanying financial statements give a true and fair view of the Consolidated and the Company Statement of Financial Position as at 31 March 2017, and the Consolidated Statement of Profit or Loss and Other 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 in accordance with International Financial Reporting Standards.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and the Company Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics* for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of contract costs and revenue recognition

Key audit matter	How our audit addressed the key audit matter
As disclosed in note 7 Segment information, the Group and the Company recorded revenue from the provision of construction works in Hong Kong totalling £3,113,629 for the year ended 31 March 2017. Construction contract revenue and costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for a fixed price contract. The estimated cost to complete the contracts are based on management's best estimate and judgements, as disclosed in note 5 Critical accounting estimates and judgements. We identified contract accounting estimates as a key audit matter because the estimation of the total revenue and total costs to complete contract is inherently subjective and requires significant management judgement and estimation. Any changes or errors in the forecast of contract revenue and costs could result in a material variance in the amount of profit or loss recognised from contracts to date and, therefore, in the current period.	Regarding construction contract revenue recognition, we performed the following procedures: • We discussed the design and implementation of key internal controls over the contract revenue and profit recognition processes. • We discussed with management the performance of all contracts in progress during the year to understand the status of completion of the contracts. • We evaluated the reasonableness of the estimated construction costs, taking into account the profit margin of similar projects, the duration and the complexity of the projects, etc. • We challenged the key estimates and assumptions adopted by management in the estimation of contract costs. • We obtained a detailed breakdown of total estimated cost to completion for all contracts in progress during the year and compared, on a sample basis, actual costs incurred at the reporting date and cost estimates with the agreements, quotation or correspondence with sub-contractors and suppliers and other documentation referred to by management in its assessment of the estimated costs to completion.

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KEY AUDIT MATTERS (CONTINUED)

Impairment assessment of trade and other receivables

Key audit matter	How our audit addressed the key audit matter
As disclosed in note 5 Critical accounting estimates and judgements and note 20 Trade and other receivables of the consolidated financial statements, as at 31 March 2017, the Group and the Company had trade and other receivables, of £2,903,913. For the year ended 31 March 2017, an impairment loss of approximately £51,028 has been recognised on certain receivables that are due and outstanding for a certain period of time. The impairment assessment of the trade and other receivables requires exercise of significant judgement by management of the Company and is subjective. We have identified the impairment assessment of the Group's and Company's trade and other receivables as a key audit matter.	Regarding the impairment of trade and other receivables, we performed the following procedures: • We understood and evaluated the Group's and Company's internal controls over the process of identifying events or circumstances give rise to impairment on trade and unbilled receivables and the respective impairment assessments, and we tested relevant key internal controls. • We performed an independent assessment to identify events or circumstances which may give rise to impairment of trade and unbilled receivables on a sample basis. We focused on trade receivable accounts and amounts due with material balances, were long outstanding or had poor credit records. • We obtained the impairment calculation schedule of a specific trade and unbilled receivable account on a sample basis and assessed the impairment analysis performed by management, including inspection of the relevant supporting documents.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainly exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and company financial statements. We are responsible for the direction, supervision and performance of the group and company audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HKCMCPA Company Limited
Certified Public Accountants

PANG KING SZE, RUFINA
Practising Certificate number P05228

Hong Kong, China
4 September 2017

15th Floor, Aubin House, 171-172 Gloucester Road, Wan Chai, Hong Kong
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UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Notes	**2017**	2016
		£	£
Continuing operations			
Revenue	*7(a)*	**4,795,739**	3,866,521
Cost of sales	*10*	**(3,150,985)**	(2,615,802)
Gross profit		**1,644,754**	1,250,719
Other income	*8*	**4,091**	9,118
Other gains and losses	*9*	**(11,529)**	(36,730)
Selling and distribution expenses	*10*	**(133,825)**	(121,090)
Administrative expenses	*10*	**(1,051,759)**	(963,072)
Finance costs	*12*	**(117)**	(1,234)
Profit before income tax		**451,615**	137,711
Income tax expense	*13*	**-**	-
Profit for the year from continuing operations		**451,615**	137,711
Discontinued operations			
Loss for the year from discontinued operations	*28*	**(40,723)**	(478,320)
Profit/(loss) for the year		**410,892**	(340,609)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		**767,799**	142,154
Total comprehensive income/(loss) for the year		**1,178,691**	(198,455)
Profit/(loss) attributable to :			
Equity shareholders of the Company			
Profit from continuing operations		**451,615**	137,711
Loss from discontinued operations		**(21,278)**	(249,922)
Equity shareholders of the Company		**430,337**	(112,211)
Non-controlling interests		**(19,445)**	(228,398)
		410,892	(340,609)
Total comprehensive income/(loss) for the year attributable to:			
Equity shareholders of the Company			
Total comprehensive income from continuing operations		**1,219,414**	289,867
Loss from discontinued operations		**(21,278)**	(249,922)
Equity shareholders of the Company		**1,198,136**	39,945
Non-controlling interests		**(19,445)**	(238,400)
		1,178,691	(198,455)
Earnings per share – Basic and Diluted			
Continuing operations	*14*	**0.11p**	0.04p
Discontinuing operations	*14*	**(0.01)p**	(0.07)p

UNIVISION ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

	Notes	**2017**	2016
		£	£
ASSETS			
Non-current assets			
Plant and equipment	*16*	**50,079**	42,629
Amounts due from related companies	*26*	**3,613,896**	3,064,336
Total non-current assets		**3,663,975**	3,106,965
Current assets			
Inventories	*18*	**1,100,058**	749,189
Trade and other receivables	*20*	**2,903,913**	2,460,855
Bank deposits	*21*	**511,642**	448,056
Cash and cash equivalents	*21*	**1,188,268**	654,244
Total current assets		**5,703,881**	4,312,344
Assets of disposal group classified as held for sale	*28*	**-**	3,616,582
Total assets		**9,367,856**	11,035,891
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*22*	**3,165,379**	2,505,939
Obligations under finance lease		**-**	660
Total current liabilities		**3,165,379**	2,506,599
Non-current liabilities			
Amount due to a related company	*22*	**123,775**	-
Liabilities of disposal group classified as held for sale	*28*	**-**	3,214,990
Total liabilities		**3,289,154**	5,721,589
Equity			
Share capital	*24*	**3,890,257**	1,697,617
Reserves		**2,188,445**	3,462,605
Equity attributable to equity shareholders of the Company		**6,078,702**	5,160,222
Non-controlling interests		**-**	154,080
Total equity		**6,078,702**	5,314,302
Total liabilities and equity		**9,367,856**	11,035,891

The financial statements on pages 27 to 73 were authorised for issue by the board of directors on 4 September 2017 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 2017

	Notes	**2017**	2016
		£	£
ASSETS			
Non-current assets			
Plant and equipment	*16*	**50,079**	42,629
Interest in a subsidiary	*17*	**-**	99,500
Amounts due from related companies	*26*	**3,613,896**	3,064,336
Total non-current assets		**3,663,975**	3,206,465
Current assets			
Inventories	*18*	**1,100,058**	750,353
Trade and other receivables	*20*	**2,903,913**	2,460,855
Bank deposits	*21*	**511,642**	448,056
Cash and cash equivalents	*21*	**1,188,268**	654,244
Total current assets		**5,703,881**	4,313,508
Total assets		**9,367,856**	7,519,973
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	*22*	**3,165,379**	2,505,939
Obligations under finance lease		**-**	660
Total current liabilities		**3,165,379**	2,506,599
Non-current liability			
Amount due to a related company	*22*	**123,775**	-
Total liabilities		**3,289,154**	2,506,599
Equity			
Share capital	*24*	**3,890,257**	1,697,617
Reserves		**2,188,445**	3,315,757
Total equity		**6,078,702**	5,013,374
Total liabilities and equity		**9,367,856**	7,519,973

The financial statements on pages 27 to 73 were authorised for issue by the board of directors on 4 September 2017 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 2017

	Attributable to the equity shareholders of the Company									
	Share capital	Share premium	Retained earnings	Special capital reserve "A"	Special capital reserve "B"	Statutory surplus reserves	Translation reserve	Sub-total	Non-controlling interest	Total equity
	£	£ *(Note 1)*	£	£ *(Note 2)*	£ *(Note 3)*	£	£	£	£	£
Balance at 1 April 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
Comprehensive income:										
Profit or loss	-	-	430,337	-	-	-	-	430,337	(19,445)	410,892
Other comprehensive income:										
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	718,406	718,406	49,393	767,799
Total other comprehensive income for the year, net of tax	-	-	-	-	-	-	718,406	718,406	49,393	767,799
Total comprehensive income	-	-	430,337	-	-	-	718,406	1,148,743	29,948	1,178,691
Disposal of a subsidiary	-	-	(43,734)	-	-	(19,094)	(13,166)	(75,994)	(184,028)	(260,022)
Dividend paid in respect of 2016 year	-	-	(154,269)	-	-	-	-	(154,269)	-	(154,269)
Transfer from share premium	2,192,640	(2,192,640)	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	2,192,640	(2,192,640)	(198,003)	-	-	(19,094)	(13,166)	(230,263)	(184,028)	(414,291)
Balance at 31 March 2017	3,890,257	-	58,521	155,876	143,439	-	1,830,609	6,078,702	-	6,078,702

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 2017.

Notes:

1. Share premium

   The Company, by resolution reduced the share premium account for the year ended 31 March 2017.

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 2017

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Retained earnings	Special capital reserve "A"	Special capital reserve "B"	Translation reserve	Total equity
	£	£ *(Note 1)*	£	£ *(Note 2)*	£ *(Note 3)*	£	£
Balance at 1 April 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
Comprehensive income:							
Profit or loss	-	-	451,798	-	-	-	451,798
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	-	-	-	-	-	767,799	767,799
Total other comprehensive income for the year, net of tax	-	-	-	-	-	767,799	767,799
Total comprehensive income	-	-	451,798	-	-	767,799	1,219,597
Dividend paid in respect of 2016 year			(154,269)	-	-	-	(154,269)
Transfer from share premium	2,192,640	(2,192,640)	-	-	-	-	-
Total transactions with owners, recognised directly in equity	2,192,640	(2,192,640)	(154,269)	-	-	-	(154,269)
Balance at 31 March 2017	3,890,257	-	58,521	155,876	143,439	1,830,609	6,078,702

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 2017.

Notes:

1. Share premium

   The Company, by resolution reduced the share premium account for the year ended 31 March 2017.

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 2017

	Notes	**2017**	2016
		£	£
Cash flows from operating activities			
Profit before income tax		**451,615**	137,711
Adjustments for:			
Interest expense	*12*	**117**	1,234
Interest income	*8*	**(4,081)**	(959)
Depreciation of plant and equipment	*16*	**22,821**	16,546
Inventory written-off		**22,561**	-
Impairment loss recognised on amounts due from customers for contracts-in-progress		**51,028**	21,470
Reversal of provision of doubtful debt		**(21,201)**	-
Impairment loss on goodwill		**-**	25,830
Gain on disposal of a subsidiary	*9*	**(41,992)**	-
		480,868	201,832
Changes in operating assets and liabilities:			
(Increase)/decrease in inventories		**(247,982)**	111,894
Increase in trade and other receivables		**(99,937)**	(457,008)
Decrease in amounts due from related companies		**6,692**	-
Increase in trade and other payables		**269,404**	65,846
Net cash generated from/(used in) operations		**409,045**	(77,436)
Net cash (used in)/generated from discontinued operations		**(304,889)**	99,200
Net cash generated from operating activities		**104,156**	21,764
Cash flows from investing activities			
Interest received	*8*	**4,081**	959
Purchase of plant and equipment		**(23,822)**	(25,558)
Increase/(decrease) in bank deposit		**3,477**	(180,842)
Proceeds from disposal of a subsidiary		**58,841**	-
Net cash used in discontinued operations		**(1,679)**	(9,603)
Net cash generated from/(used in) investing activities		**40,898**	(215,044)
Cash flows from financing activities			
Interest paid	*12*	**(117)**	(1,234)
Dividend paid to shareholders of the Company	*15*	**(154,269)**	(128,507)
Repayment of finance lease liabilities		**(722)**	(7,588)
Advance from a related company		**123,775**	-
Net cash generated from discontinued operations		**261,375**	51,429
Net cash generated from/(used in) financing activities		**230,042**	(85,900)
Net increase/(decrease) in cash and cash equivalents		**375,096**	(279,180)
Cash and cash equivalents at beginning of year		**654,244**	1,221,707
Less: cash and cash equivalents from disposal group classified as held for sale		**-**	(300,527)
Effect of foreign exchange rate changes on cash and cash equivalents		**158,928**	12,244
Cash and cash equivalents at end of year	*21*	**1,188,268**	654,244

UNIVISION ENGINEERING LIMITED
COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2017

	Notes	**2017**	2016
		£	£
Cash flows from operating activities			
Profit before income tax		**451,798**	171,768
Adjustments for:			
Interest expense		**117**	1,233
Interest income		**(4,081)**	(959)
Depreciation of plant and equipment	*16*	**22,821**	16,546
Inventory written-off		**22,561**	-
Gain on disposal of a subsidiary		**(41,992)**	-
Impairment loss recognised on amounts due from customers for contracts-in-progress		**51,028**	21,470
Reversal of provision of doubtful debt		**(21,201)**	-
		481,051	210,058
Changes in operating assets and liabilities:			
(Increase)/decrease in inventories		**(247,982)**	111,894
Increase in trade and other receivables		**(99,937)**	(457,008)
Decrease in amounts due from related companies		**6,692**	8,154
Increase in trade and other payables		**269,404**	65,846
Net cash generated from/(used in) operating activities		**409,228**	(61,056)
Cash flows from investing activities			
Interest received		**4,081**	959
Purchase of plant and equipment		**(23,822)**	(25,558)
Increase/(decrease) in bank deposit		**3,477**	(180,842)
Proceeds from disposal of a subsidiary		**58,841**	-
Net cash generated from /(used in) investing activities		**42,577**	(205,441)
Cash flows from financing activities			
Interest paid		**(117)**	(1,233)
Dividend paid to shareholders of the Company		**(154,269)**	(128,507)
Repayment of finance lease liabilities		**(722)**	(7,588)
Advance from a related company		**123,775**	-
Net cash used in financing activities		**(31,333)**	(137,328)
Net increase/(decrease) in cash and cash equivalents		**420,472**	(403,825)
Cash and cash equivalents at beginning of year		**654,244**	1,044,484
Effect of foreign exchange rate changes on cash and cash equivalents		**113,552**	13,585
Cash and cash equivalents at end of year	*21*	**1,188,268**	654,244

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.

On 20 September 2016, the Company disposed of its subsidiary and sold to a related party, Mr. Stephen Sin Mo KOO, the Executive Chairman of the Company.

The Company's shares were listed on the Alternative Investment Market ("AIM") of London Stock Exchange.

2. BASIS OF PREPARATION

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

The consolidated financial statements for the year ended 31 March 2017 comprise the Company and its subsidiary. The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of consolidated 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 consolidated financial statements and major sources of estimation uncertainty are discussed in note 5 to the consolidated financial statements.

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

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

The following standards have been adopted by the Group and the Company for the first time for the year ended 31 March 2017:

- Amendments to IFRS 11 "*Accounting for acquisitions of interest in joint operations*"
- Amendments to IAS 1 "*Disclosure Initiative*"
- Amendments to IAS 16 and IAS 38 "*Clarification of acceptance methods of depreciation and amortization*"
- Amendments to IFRS 10, IFRS 12 and IAS 28 "*Investment entities: Applying the consolidation exception*"
- Annual improvements to IFRSs 2012-2014 cycle contain amendments to four standards with consequential amendments to other standards.

No new standards or amendments effective and adopted for the first time have had a material impact to the Group or Company.

(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 Company's operations, have been issued and are mandatory for adoption by the Company for accounting periods beginning on or after 1 January 2017 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*"
- IFRS 16 "*Leases*"
- Amendments to IFRS 10 and IAS 28 "*Sale or contribution of assets between an investor and its associate or joint venture*"
- Amendments to IFRS 2 "*Clarification and measurement of share-based payment transactions*"
- Amendments to IFRS 4 "*Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts*"
- Amendments to IFRS 10 and IAS 28 "*Sale or contribution of assets between an investor and its associate or joint venture*"
- Amendments to IAS 7 "*Disclosure initiative*"
- Amendments to IAS 12 "*Recognition of deferred tax assets for unrealised losses*"

The Group and the Company have not applied any new or revised IFRSs that are not yet effective for the year ended 31 March 2017.

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.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

During the year ended 31 March 2017, a subsidiary was disposed of and sold to a related party.

(b) Separate financial statements

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (continued)

(c) Non-controlling interests

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other 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 Company 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 Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company'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 the Company 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 and Company'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 and the Company is summarised as follows:

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

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 profit or loss and other 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 profit or loss and other 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”.

(c) Group companies

The results and financial position of the Company and its subsidiary (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 profit or loss and other 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 entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are transferred to the income statement as part of the gain or loss on sale. When an inter-company loan balance which forms part of the net investment in a foreign entity is repaid, such exchange differences are transferred to the income statement.

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 Company 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 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.

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

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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.

4.6 Inventories

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 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.

4.7.1 Financial assets

Loans and receivables

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

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

	Type of item	Nature and terms of item
1.	Loans	Unsecured temporary advances to the former subsidiary, which are interest-free and eliminated upon consolidation.
2.	Other receivables	They include: a. Retention receivable under warranty provision among certain construction contracts for a period of twelve months b. Accrued income from maintenance contracts, which are billed or collected within twelve months.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (continued)

4.7.1 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 Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (continued)

4.7.2 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 Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables and loans 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 and the Company 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 and the Company derecognises financial liabilities when, and only when, the Group's and Company'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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial instruments (continued)

4.7.3 Offsetting financial instruments

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

4.8 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 doubtful debts.

4.9 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.

4.10 Cash and cash equivalents

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 and bank overdrafts. Bank overdrafts are shown under current liabilities on the statement of financial position.

4.11 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.

4.12 Share capital

Ordinary shares are classified as equity.

4.13 Dividend distributions

Dividend distributions to the Company’s shareholders are recognised as liabilities in the Company’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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 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 activities. Revenue is shown net of business tax, value-added tax, rebates and discounts, and after eliminating sales within the Group and the Company.

The Group and the Company recognise 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 and Company'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 and the Company base the best 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 the 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 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”.

4.16 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.

4.17 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. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Income tax

Income tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4.19 Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group and 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 Events after the reporting period

Events after the reporting period that provide additional information about the Group and the Company 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.

4.21 Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent

(2) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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 and the Company 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.

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 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 statement of comprehensive income. As at 31 March 2017, the total carrying amount of the Group’s trade and other receivables was £6,517,809 (2016: £5,525,191).

(ii) Income taxes

The Group and the Company are subject to income tax in different jurisdiction in Hong Kong, and Taiwan. 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 2017, the Company has unused tax losses of £4,808,854 (2016: £4,657,046) available for offset against future profits. A deferred tax asset of £793,461 (2016: £768,413) 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 statement of profit or loss and other comprehensive income for the period in which such future profits are recorded.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2017 £	2016 £
Financial assets:		
Loans and receivables		
- Amounts due from related companies	**3,613,896**	3,064,336
- Trade and other receivables	**2,903,913**	2,460,855
- Bank deposits	**511,642**	448,056
- Cash and bank balances	**1,188,268**	654,244
Financial liabilities:		
- Amount due to a related company	**123,775**	-
- Trade and other payables	**3,165,379**	2,505,939
- Obligation under finance lease	**-**	660

(b) Financial risk management objectives and policies

The Group's major financial instruments include amounts due from related parties, bank and cash, 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	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
RMB	**264,486**	53,775	**593,114**	541,544	**264,486**	53,775	**593,114**	541,544
USD	**83,104**	40,506	**3,057**	2,732	**83,104**	40,506	**3,057**	2,732
HK$	**4,137,190**	3,230,940	**2,636,560**	1,832,885	**4,137,190**	3,230,940 `	**2,636,560**	1,832,885

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

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(i) Market risk (continued)

(1) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in Sterling against the relevant foreign currencies and all other variables were held constant. 5% (2016: 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 currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2016: 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% (2016: 5%) against the relevant foreign currencies. For a 5% (2016: 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.

	2017	2016
	£	£
RMB		
Post-tax (loss)/profit for the year	(17,296)	(25,672)
USD		
Post-tax profit for the year	4,213	1,988
HK$		
Post-tax profit for the year	78,981	73,582

(2) Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to fixed rate bank deposits 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 and the Company currently do not have an interest rate hedging policy. However, Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

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

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(i) Market risk (continued)

(2) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the change in interest rates and the exposure to interest rates for the non-derivative financial liabilities at the end of the reporting period and on the assumption that the amount outstanding at the end of the reporting period was outstanding for the whole year and held constant throughout the financial year. The 25 basis points increase or decrease represents 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 2016.

For the year ended 31 March 2017, 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 (2016: £0).

(ii) Credit risk

At 31 March 2017, 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 statements of financial position.

The Group's and Company's credit risk are primarily attributable to its trade and other receivables. In order to minimise the credit risk, Management 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. 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 and the Company 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 and the Company 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 20.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk

In managing liquidity risk, the Group's and Company's policy are to regularly monitor and maintain an adequate level of cash and cash equivalents determined by Management to finance the 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 2017, the Group and the Company had no banking facilities (2016: £438,574.

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 and the Company can be required to pay. The table includes both interest and principal cash flows.

The Group

	2017					
	Weighted average effective interest rate	Within 1 year or on Demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flow	Carrying amount at 31 March 2017
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Trade and other payables	Nil	3,165,379	-	-	3,165,379	3,165,379
Amount due to a related company	Nil	-	123,775	-	123,775	123,775
		3,165,379	123,775	-	3,289,154	3,289,154

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk (continued)

The Group

	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	Carrying amount at 31 March 2016
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Trade and other payables	Nil	2,505,939	-	-	2,505,939	2,505,939
Obligations under finance lease	3.25%	768	-	-	768	768
		2,506,707	-	-	2,506,707	2,506,707

The Company

	2017					
	Weighted average effective interest rate	Within 1 year or on Demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flow	Carrying amount at 31 March 2017
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Trade and other payables	Nil	3,165,379	-	-	3,165,379	3,165,379
Amount due to a related company	Nil	-	123,775	-	123,775	123,775
		3,165,379	123,775	-	3,289,154	3,289,154

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk (continued)

The Company

	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	Carrying Amount at 31 March 2016
	%	£	£	£	£	£
Non-derivative financial liabilities:						
Trade and other payables	Nil	2,505,939	-	-	2,505,939	2,505,939
Obligations under finance lease	3.25%	768	-	-	768	768
		2,506,707	-	-	2,506,707	2,506,707

(c) Fair value

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

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

(d) Capital risk management

The primary objectives when managing capital are to safeguard the Group’s and Company’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 and the Company actively and regularly review and manage the 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 and the Company monitor its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the net debt is defined as total debt (which includes bank borrowings and other financial liabilities) less bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Capital risk management (continued)

The strategy during 2017, which was unchanged from 2016, was to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group and the Company 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	
	2017	2016	**2017**	2016
	£	£	**£**	£
Current liabilities				
Trade and other payables	**3,165,379**	2,505,939	**3,165,379**	2,505,939
Obligation under finance lease	**-**	660	**-**	660
	3,165,379	2,506,599	**3,165,379**	2,506,599
Non-current liabilities				
Amount due to a related company	**123,775**	-	**123,775**	-
Liabilities of disposal group classified as held for sale	**-**	3,214,990	**-**	-
Total debt	**3,289,154**	5,721,589	**3,289,154**	2,506,599
Less: cash and bank balances	**1,188,268**	654,244	**1,188,268**	654,244
Net debt	**2,100,886**	5,067,345	**2,100,886**	1,852,355
Total equity	**6,078,702**	5,314,302	**6,078,702**	5,013,374
Net debt-to-adjusted capital ratio	**35%**	95%	**35%**	37%

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 2017.

(a) Segment revenues and results

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

	2017	2016
	£	£
Segment revenue by major products and services:		
- Construction contracts	**3,113,629**	2,414,362
- Maintenance contracts	**1,400,119**	1,194,680
- Product sales	**281,991**	257,479
Revenue from continuing operations	**4,795,739**	3,866,521
Revenue from discontinued operations	**1,818,788**	3,547,320
Revenue from external customers	**6,614,527**	7,413,841
From continuing operations:		
Segment profit	**451,732**	138,945
Finance costs	**(117)**	(1,234)
Profit before income tax	**451,615**	137,711

(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 and Taiwan, and all of the Group's assets are located in the same geographic segment.

(c) Information about major customers

Revenues of approximately £2,882,250 (2016: £2,791,170) are derived from two external customers (2016: two), who contributed to 10% or more of the Group's revenue in 2017 and 2016.

8. OTHER INCOME

	2017 £	2016 £
Interest income	**4,081**	959
Sundry income	**10**	8,159
	4,091	9,118

9. OTHER GAINS AND LOSSES

	2017 £	2016 £
Foreign exchange (loss) gain	**(1,133)**	10,570
Gain on disposal of a subsidiary (note 17)	**41,992**	-
Impairment loss recognised on amounts due from customers for contracts-in-progress	**(51,028)**	(21,470)
Impairment loss on goodwill	**-**	(25,830)
Inventories write-off	**(22,561)**	-
Reversal of provision of doubtful debt	**21,201**	-
	(11,529)	(36,730)

10. EXPENSES BY NATURE

	2017 £	2016 £
Cost of inventories recognised as expenses	**1,151,770**	1,089,060
Sub-contracting costs	**1,103,954**	882,503
Depreciation – owned plant and equipment	**22,821**	16,546
Operating lease charges – minimum lease payments	**28,008**	24,260
Research and development costs	**80,047**	47,763
Selling and distribution cost	**127,537**	116,905
Other expenses	**341,913**	315,496
Staff costs, including directors’ remuneration		
- Wages and salaries	**1,396,007**	1,122,792
- Pension scheme contributions	**60,075**	49,445
	1,456,082	1,172,237
Auditor’s remuneration		
- audit services (parent company)	**24,437**	35,194
Total cost of sales, selling and distribution, administrative expenses	**4,336,569**	3,699,964

11. DIRECTORS' REMUNERATION

Directors' remuneration for the year is as follows:

	Salaries, bonuses and allowances	**Pension scheme contributions**	**2017**
	£	£	**£**
Executive directors			
Stephen Sin Mo KOO	-	-	-
Yip Tak CHAN	59,427	1,765	61,192
Chun Pan WONG	75,335	1,765	77,100
Danny Kwok Fai YIP	60,044	1,765	61,809
	194,806	5,295	200,101
Non-executive director			
Nicholas James LYTH	14,122	-	14,122
	208,928	5,295	214,223

	Salaries, bonuses and allowances	Pension scheme contributions	2016
	£	£	£
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
	161,655	4,638	166,293
Non-executive director			
Nicholas James LYTH	12,367	-	12,367
	174,022	4,638	178,660

12. FINANCE COSTS

	2017	2016
	£	£
Finance charge on obligation under finance lease	**117**	1,234

13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income:

	2017	2016
	£	£
Hong Kong profits tax	**-**	-

Hong Kong profits tax is charged at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been accrued 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:

	2017	2016
	£	£
Continuing operations:		
Profit before income tax	**451,615**	137,711
Notional tax on profit before income tax, calculated at the rates applicable to profit in the tax jurisdictions concerned	**74,546**	22,722
Tax effect of non-taxable income	**(10,427)**	(2,495)
Tax effect of non-deductible expenses	**25,990**	18,952
Tax effect of temporary differences not recognised	**(4,280)**	(4,408)
Utilisation of tax losses brought forward not previously recognised as deferred tax assets	**(85,646)**	(34,771)
Income tax expense	**-**	-

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company for the year of £430,337 from continuing and discontinued operations (2016: loss of £112,211) and the profit for the year of £451,615 (2016: £137,711) from continuing operations, and the weighted average of 383,677,323 (2016: 383,677,323) ordinary shares in issue during the year.

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

15. DIVIDENDS

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

	2017	2016
	£	£
Final dividend proposed after the reporting period of 0.042 pence per ordinary share (2016: 0.037 pence per ordinary share)	**162,257**	141,083

The final dividend proposed after 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

	2017	2016
	£	£
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.037 pence per ordinary share (2016: 0.034 pence per ordinary share)	**154,269**	128,507

16. PLANT AND EQUIPMENT

The Group

	Furniture and fixtures	Computer equipment	Motor vehicles	Research assets	Total
	£	£	£	£	£
Cost					
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
At 1 April 2016	29,381	62,823	89,865	-	182,069
Additions	9,760	14,063	-	-	23,823
Disposal	(154)	-	(2,960)	-	(3,114)
Foreign translation difference	4,911	10,157	13,581	-	28,649
At 31 March 2017	43,898	87,043	100,486	-	231,427
Accumulated depreciation					
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
At 1 April 2016	19,227	47,784	72,429	-	139,440
Charge for the year	4,110	10,156	8,555	-	22,821
Disposal	(154)	-	(2,960)	-	(3,114)
Foreign translation difference	3,097	7,697	11,407	-	22,201
At 31 March 2017	26,280	65,637	89,431	-	181,348
Net book value					
At 31 March 2017	17,618	21,406	11,055	-	50,079
At 31 March 2016	10,154	15,039	17,436	-	42,629

16. PLANT AND EQUIPMENT (CONTINUED)

The Company

	Furniture and fixtures	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
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
At 1 April 2016	29,245	62,824	87,373	179,442
Additions	9,760	14,063	-	23,823
Foreign translation difference	4,893	10,156	13,113	28,162
At 31 March 2017	43,898	87,043	100,486	231,427
Accumulated depreciation				
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
At 1 April 2016	19,092	47,784	69,937	136,813
Charge for the year	4,110	10,156	8,555	22,821
Foreign translation difference	3,078	7,697	10,939	21,714
At 31 March 2017	26,280	65,637	89,431	181,348
Net book value				
At 31 March 2017	17,618	21,406	11,055	50,079
At 31 March 2016	10,153	15,040	17,436	42,629

17. INTEREST IN A SUBSIDIARY

	2017 £	2016 £
Unlisted shares, at cost	-	639,965
Less: impairment loss	-	(625,005)
	-	14,960
Amount due from a subsidiary	-	84,540
Total	-	99,500

The following contains the particulars of the subsidiary undertaking which principally affected the results, assets and liabilities of the Group during the year ended 31 March 2017:

Name	Place of incorporation and operations	Issued and fully paid up share capital/ registered capital	Percentage of equity held by the Company Directly	Percentage of equity held by the Company Indirectly	Principal activities
T-Com Technology Co Limited ("T-Com")	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

On 20 September 2016, the Company disposed of its interest in T-Com which was sold to a related party, Mr. Stephen Sin Mo KOO, the Executive Chairman of the Company at a consideration of approximately £59,000 (equal to HK$600,000) as an arm's length transaction in the normal course of business. The disposal was completed on 18 October 2016.

Consideration transferred

	£
Cash	58,841

Analysis of assets and liabilities over which control was lost:

	£
Net asset of T-com	16,849
Gain on disposal of a subsidiary (note 9)	41,992
	58,841

18. INVENTORIES

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Raw materials	**372,872**	372,691	**372,872**	373,855
Finished goods	**727,186**	376,498	**727,186**	376,498
	1,100,058	749,189	**1,100,058**	750,353

No provision for obsolete inventories are recognised for the year (2016: £nil) on slow-moving inventories.

19. CONTRACTS-IN-PROGRESS

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Contract costs incurred plus attributable profits less foreseeable losses	**26,732,248**	20,443,032	**26,732,248**	20,443,032
Progress billings to date	**(27,029,019)**	(20,662,966)	**(27,029,019)**	(20,662,966)
	(296,771)	(219,934)	**(296,771)**	(219,934)
Represented by:				
Amounts due from customers for contracts-in-progress	**1,808,935**	1,281,429	**1,808,935**	1,281,429
Less: allowance for doubtful debts	**(324,007)**	(235,060)	**(324,007)**	(235,060)
Amounts due from customers for contracts-in-progress, net (note 20)	**1,484,928**	1,046,369	**1,484,928**	1,046,369
Amounts due to customers for contracts-in-progress (note 22)	**(1,781,699)**	(1,266,303)	**(1,781,699)**	(1,266,303)
	(296,771)	(219,934)	**(296,771)**	(219,934)

At 31 March 2017, no retention receivables from construction customers are included within "trade and other receivables" (2016: £0).

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade receivables	**580,180**	985,103	**580,180**	985,103
Less: allowance for doubtful debts (note 20(a))	**(54,858)**	(67,089)	**(54,858)**	(67,089)
Trade receivables, net (note 20(b))	**525,322**	918,014	**525,322**	918,014
Other receivables	**794,073**	448,134	**794,073**	448,134
Deposits and prepayments	**99,590**	48,338	**99,590**	48,338
Amounts due from customers for contracts-in-progress, net (note 19)	**1,484,928**	1,046,369	**1,484,928**	1,046,369
Total carrying amount	**2,903,913**	2,460,855	**2,903,913**	2,460,855

All of the trade and other receivables are expected to be recovered within one year.

20. 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 and the Company are satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Movements in the allowance for doubtful debts:

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
At 1 April	**67,089**	191,806	**67,089**	65,131
Reversal of provision	**(17,292)**	-	**(17,292)**	-
Transfer to disposal group classified as held for sale	**-**	(126,675)	**-**	-
Foreign translation difference	**5,061**	1,958	**5,061**	1,958
At 31 March	**54,858**	67,089	**54,858**	67,089

At 31 March 2017, 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:

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
0 to 90 days	**354,721**	79,590	**354,721**	79,590
91 to 365 days	**115,074**	838,424	**115,074**	838,424
Over 365 days	**55,527**	-	**55,527**	-
	525,322	918,014	**525,322**	918,014

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.

21. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Cash at bank and in hand	**1,188,268**	654,244	**1,188,268**	654,244

(b) Bank deposits

At 31 March 2017, the balance of £511,642 (2016: £448,056) is restricted as bank deposits with maturities greater than three months, being 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 0.5% per annum (2016: 0.37%).

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

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
AUD	**387**	337	**387**	337
CAD	**901**	803	**901**	803
GBP	**96,174**	98,028	**96,174**	98,028
HKD	**1,504,461**	919,415	**1,504,461**	919,415
JYP	**86**	74	**86**	74
RMB	**60,374**	48,540	**60,374**	48,540
USD	**37,527**	35,103	**37,527**	35,103

22. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Current portion:				
Trade payables	**126,495**	129,182	**126,495**	129,182
Due to related parties (note 26(a))	**22,247**	111,440	**22,247**	111,440
Accruals and other payables	**1,234,938**	999,014	**1,234,938**	999,014
Amounts due to customers for contracts-in-progress (note 19)	**1,781,699**	1,266,303	**1,781,699**	1,266,303
	3,165,379	2,505,939	**3,165,379**	2,505,939
Non-current portion:				
Due to a related company (note 26(b))	**123,775**	-	**123,775**	-
	3,289,154	2,505,939	**3,289,154**	2,505,939

All of the trade and other payables are expected to be repaid within one year, other than those respectively disclosed.

23. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

Unrecognised deferred tax assets

At 31 March 2017, the Group and the Company had unused tax losses of £4,808,854 (2016: £4,705,477) that were available for offset against future taxable profits. 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.

24. SHARE CAPITAL

	2017	2016
	£	£
Authorised :		
800,000,000 ordinary shares of HK$0.0625 each	3,669,470	3,669,470
Issued and fully paid:		
383,677,323 ordinary shares (2016: 383,677,323 ordinary shares)	3,890,257	1,697,617

The Company has one class of ordinary shares.

25. EMPLOYEE RETIREMENT BENEFITS

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. Contributions to the MPF scheme vest immediately.

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

26. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

	2017	2016
	£	£
Salaries, bonus and allowances	273,370	229,461

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.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

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 2017, there is a balance of £22,247 (2016: £111,440) due to Mr. Stephen Sin Mo KOO, a Director of the Company, which is unsecured, interest-free and repayable on demand (note 22).

(b) At 31 March 2017, there is a payable balance of £123,775 (2016: £0) due to a shareholder, Univision Holdings Limited, which is unsecured, interest-free and repayable after 12 months.

(c) At 31 March 2017, bank facilities amounting to £0 (2016: £1,552,259) are personally guaranteed by Mr. Stephen Sin Mo KOO. No charge has been requested for this guarantee.

(d) At 31 March 2017, there are receivable balances of £3,613,896 (2016: £3,064,336) due from related companies controlled by common shareholders of the Company, which are guaranteed by a shareholder of the Company, interest-free and not expected to be repayable in the next twelve months.

(e) During the year ended 31 March 2017, the Company sold and transferred its entire interest in a subsidiary to Mr. Stephen Sin Mo KOO, the Director of the Company, for cash consideration of £58,841, as an arms-length transaction in the normal course of business.

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.

27. COMMITMENTS

(a) Capital commitments

At 31 March 2017, the Group and the Company did not have any 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	
	2017	2016	**2017**	2016
	£	£	**£**	£
Within one year	**121,147**	74,890	**121,147**	74,890
Between two to five years	**81,641**	23,473	**81,641**	23,473
	202,788	98,363	**202,788**	98,363

28. DISCONTINUED OPERATIONS

On 30 March 2016, the Company committed to a plan to dispose of its interest in T-Com, whose assets and liabilities had previously been disclosed as "held for sale" and its operating results were separately disclosed as "discontinued operations", as follows:

	2017	2016
	£	£
Revenue from discontinued operations	**1,818,788**	3,547,320
Cost of sales	**(1,467,951)**	(3,289,203)
Gross profit	**350,837**	258,117
Other income	**278**	421
Other gains	**171**	18,997
Administrative expenses	**(392,009)**	(788,291)
Loss from discontinued operations	**(40,723)**	(510,756)
Income tax credit	**-**	32,436
Loss for the year, net of tax	**(40,723)**	(478,320)

On 20 September 2016, the Company approved to sell its entire interest in the subsidiary to a related party, Mr. Stephen Sin Mo KOO, the Executive Chairman of the Company at a consideration of approximately £59,000 (equal to HK$600,000) as an arm's length transaction in the normal course of business. The disposal was completed on 18 October 2016 and the Company recorded a gain on disposal of a subsidiary of £41,992 as a result.

29. CONTINGENT LIABILITIES

On 10 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, Mr. Stephen Sin Mo KOO, on 14 December 2015 and a subsequent series of oral agreements.

On 5 September 2016, Hai Li discontinued the action against the Company's director, Mr. Stephen Sin Mo KOO and the Company.

At 31 March 2017, the Group and the Company have no other significant contingent liabilities from pending litigation or legal claims..

30. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in the financial statements, the Group and the Company have the following significant events after the reporting period.

(i) On 11 May 2017, the Company entered into a major construction contract with MTR Corporation Limited for replacement of CCTV Systems in the fixed price with a contract sum of £40 million in a term of six and half years, due November 2023.

(ii) On 18 August 2017, the Directors proposed a final dividend. Further details are disclosed in note 15(i).

31. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 4 September 2017.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2017 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 29th September 2017 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 2017 together with the Directors' report and the Independent Auditor's report;

2. To declare a final dividend for the financial year ended 31 March 2017.

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board	Registered office:
Mr. Stephen Sin Mo KOO	Unit 01A, 2/F Sunbeam Centre,
Executive Chairman	27 ShingYip Street
	Kwun Tong, Kowloon,
4 September 2017	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 15 September 2017 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.