



UNIVISION ENGINEERING LIMITED



ANNUAL REPORT
YEAR ENDED 31 MARCH 2020

UniVision Engineering Limited



Annual Report
Year ended 31 March 2020

UNIVISION ENGINEERING LIMITED
Annual Report
Year ended 31 March 2020

Contents	Page
Board of Directors, Officers and Professional Advisers	2
Chairman's Statement	3
Directors' and Senior Management's Biographies	9
Directors' Report	12
Remuneration Report	18
Report on Corporate Governance	19
Statement of Directors' Responsibilities	22
Independent Auditor's Report to the Members of UniVision Engineering Limited	23
Statement of Profit or Loss and Other Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33
Notice of Annual General Meeting	65

BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Board of Directors

Stephen Sin Mo KOO, *Executive Chairman*
Peter Yip Tak CHAN, *Chief Executive Officer*
Danny Kwok Fai YIP, *Finance Director*
Ivan Chi Hung CHAN, *Director of Operations*
Edward Keung Hung LI, *Projects Director*
Nicholas James LYTH, *Non-Executive Director*
Ivor Colin SHRAGO, *Non-Executive Director*

Senior Management

Jim Jianrong FAN, *System Development Manager*
Wai Chung LAM, *Software Development Manager*
Canis Tsui Yi TAM, *Administration and Quality Assurance Manager*

Audit Committee

Nicholas James LYTH, *Chairman*
Ivor Colin SHRAGO
Stephen Sin Mo KOO

Remuneration Committee

Ivor Colin SHRAGO, *Chairman*
Nicholas James LYTH
Stephen Sin Mo KOO

AIM Stock Code

UVEL

Company Secretary

Danny Kwok Fai YIP

Registered Office

Unit 201, 2/F Sunbeam Centre,
27 Shing Yip Street,
Kwun Tong, Kowloon,
Hong Kong
Tel: (852) 2389 3256
Fax: (852) 2797 8053
E-mail: uvel@hk.uvel.com
Website: www.uvel.com

Nominated Adviser

SPARK Advisory Partners Limited
5 St. John's Lane,
London, EC1M 4BH
U.K.

Principal bankers

Hong Kong and Shanghai Banking Corporation
Bank of China (Hong Kong)
Citibank, N.A.

Auditor

PKF Hong Kong Limited
Certified Public Accountants
26/F., Citicorp Centre,
18 Whitfield Road,
Causeway, Hong Kong

Registrars

Computershare Investor Services
(Jersey) Limited
Queensway House,
Hilgrove Street,
St Helier,
Jersey JE1 1ES.

UK Depositary

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

Broker

SI Capital Limited
46 Bridge Street,
Godalming,
Surrey GU7 1HL
U.K.

CHAIRMAN'S STATEMENT

I am pleased to report the Company's audited results for the financial year ended 31 March 2020.

Turnover for the year was decreased by 27.5% (underlying rate) to £10.7m (2019: £14.2m). This decrease was mainly due to the 32.3% drop in construction contracts which came largely from the Replacement of CCTV Systems Project ("the Major Contract") awarded by MTR Corporation ("MTRC") of Hong Kong in May 2017. The Group reported reduced revenues for the first half of its financial year in December 2019 due to the widely reported protests against the anti-extradition bill in Hong Kong since the mid of 2019, which hit our construction revenue. The Coronavirus has further hindered the installation plans which has slowed the Company's anticipated recovery in the second half of the year. As announced in early July 2020, the Directors expected the full year results still to be substantially lower than that of 31 March 2019.

The Company's total equity attributable to shareholders stood at £8.7m as at 31 March 2020 (As at 31 March 2019: £7.9m).

The Company in keeping with its dividend strategy, the Board has declared a final dividend of 0.55 HK cents per share, same as the financial year ended 31 March 2019.

The current protests against anti-extradition bill in Hong Kong may appear to be a cause for concern and affect current work in progress at certain locations in the past couple of months. However, the long term effects of these protests may result in more opportunity for the Company as our customers expected to make additional orders, or look to invest additional funds to provide enhanced security and surveillance, such as installation of additional cameras and also facial recognition technology, to help protect its premises, infrastructure and citizens respectively. Therefore, I am optimistic about future prospects of the Company.

In the remainder of this report, I shall go into further details of our order book relating to the Major Contract, financial review, business review, and end with prospect statement.

THE MAJOR CONTRACT WITH MTRC

The contract with MTRC for the replacement works of the Closed-Circuit Television (CCTV) systems for numerous MTRC railway lines is the major drive for the business of the Company since it was awarded in May 2017. The Company is responsible for replacing the existing analogue CCTV system installed in the stations along the specified lines by a new Internet Protocol-based, digital CCTV system. The Major Contract's expected completion by November 2023. The Board expects that UniVision may receive additional orders in the next financial period and future.

The Major Contract allows for monthly billing on work completed and certified. The MTRC Contract also allows for variation of orders. With further agreed add-ons since May 2017, the total current value of this contract is now HK\$462.2 million (approximately £44.6 million at current exchange rates) spread over a six year period, with an expected completion date of November 2023. Up to the financial year ended 31 March 2020, UniVision has invoiced a total of approximately HK\$131.5m leaving a further order book of HK\$295.2m to be billed over the remaining period. The gross valuation of certified works on the Major Contract was HK\$156.3m up to 29 February 2020.

To lower the project cost, the Company is working with its suppliers and sub-contractors to ensure that we get favourable supply and credit terms. With China Rail Group providing the subcontracting

CHAIRMAN'S STATEMENT (Continued)

works for the Major Contract, it ensures the supply of skilled personnel and also more cost effective than local sources.

The Board also closely monitors UniVision's working capital to be certain that we have adequate financial resources to drive the project to completion. The Company review its position all the time and seek for additional or more sources of funding.

FINANCIAL REVIEW

Highlights of Statement of Profit or Loss and Other Comprehensive Income are:

- As expected, revenue decreased by 27.5% to £10.7m in the reporting period (2019: £14.2m). This revenue slump mainly came from contributions of construction contracts that decreased by 32.3% as compared with last year. The majority of this decline came from the MTRC Replacement of CCTV Systems (the Major Contract).
- Other construction contracts, including the installation, relocation, modification and replacement works that provided by MTRC also contributed significant income.
- Contribution from maintenance contracts were up by 9.6%, compared to the year before. The increase in maintenance contracts was mainly due to the additional work orders for replacement of damaged CCTV equipment caused by vandalism from the protests which mitigated the effect of the lower demand for maintenance work on the MTRC's CCTV replacement project.
- The gross profit decreased by 37.5% to £2m in the reporting period (2019: £3.2m), however, our gross margin was 19.4% which was lower than that of last reporting period (2019: 22.5%). The main reason for the decrease in gross profit margin was due to more work on lower margin construction contracts, and increases in costs relating to subcontracting charges and additional network engineers and system designers working directly on construction contracts. The Company adopt measures to minimise these cost increases and is working closely with its suppliers and subcontractors to retain its competitive edge.
- Our operating expenses were mainly due to administration expenses. For the year, administrative expenses increased by 13.5% to £1.5m (2019: £1.3m), attributable to increase in staff costs. The number of staff has increased from 67 to 73 during the reporting period.
- As a result of lower gross profit and rising operating expenses our profit before tax decreased to £452K in the reporting period (2019: £1.73m).
- The Company has unused tax loss to offset the taxable profit for the year. I report that the profit attributable to the shareholders of the Company also decreased to £452K for the financial year ended 31 March 2020, compared to £1.73m for the last financial year.
- As a result of the slump in profit attributable to shareholders, basic earnings per share decreased to 0.12p for this reporting financial year (2019: 0.45p).

CHAIRMAN'S STATEMENT (Continued)

On the Statement of Financial Position, the highlights are:

- Contract assets increased to £6.2m as at 31 March 2020, from £3.6m as at 31 March 2019, mainly due to the longer time applying for billing, particularly for the Major Contract that due to more installation works performed in this current year that of last year which most billing for delivery of equipment. Also, the Work from home policy of government department and MTRC affected the time of approval procedure.
- Cash and cash equivalents stood at £679K as at 31 March 2020 (2019: £1.3m), representing a decrease of £633K.
- Total equity attributable to shareholders stood at £8.7m as at 31 March 2020 (As at 31 March 2019: £7.92m), or an increase of £788K.
- Deposit placed for a life insurance policy of £942K as at 31 March 2020 is the value of the keyman insurance plan placed as security for banking facilities provided by a banker to the Company.
- Bank borrowings of £682K as at 31 March 2020 is the loan provided by a banker for financing certain portion of the premium for the insurance policy as above mentioned.

On the Statement of Cash Flow, the highlights are:

- The Company generated negative cash flow from operations of £111K in the reporting period (2019: positive £812K).
- The Board attributes this to closer monitoring and effective control of working capital and more efficient use of our banking facilities.
- Deposit placed for a life insurance policy of £910K, The nature is stated as above.
- New bank loans of £660K. The objective is stated as above.

During the year under review, a relative strengthening in the HK\$ at the year-end has led to a 6.4% appreciation in the GBP reporting amount in the Statement of Financial Position. It led to the significant non-cash other comprehensive gain of £549K (2019: gain £466K) on exchange differences arising on translation of foreign operations.

All figures in the above require to be adjusted for comparison purposes. All comparative percentages stated in the Chairman's Statement are adjusted to show the underlying change (net of translation effect on foreign exchange).

To consistent with the Company's dividend policy, the Board has proposed the payment of a final dividend of 0.55 HK cents (gross) per share for the financial year ended 31 March 2020 (2019: 0.55 HK cents). Dividend timetable is as follows:

Ex date: 17 September 2020
Record date: 18 September 2020
Payment date: 16 October 2020

Payment of the dividend is subject to the approval by the shareholders at the upcoming Annual General Meeting.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW

I will include the following topics in this section: our addressable market segments, business environment in which we operate, our customer base, new business and segment and the management strategy for the next reporting period.

Addressable Market Segments

According to the Market Research Report by *Mordor Intelligence: Video Surveillance System Market-Growth, Trends, and Forecast (2019 - 2025)*, the global video surveillance system market was valued at USD 52.45 billion in 2019, and is expected to reach a value of USD 90.37 billion by 2025, recording a CAGR of 9.31% over the forecast period (2020 - 2025). Our addressable market segment will undergo a healthy growth period.

The use of video surveillance market in business is growing significantly for the increasing need for physical security, coupled with the use of cloud-based services for centralized data. The growth of this market is expected to be fuelled by the introduction of new IP-based digital technologies, which the Company sees happening around the region, and is currently gaining traction in the Hong Kong market. The digital cameras and computer vision software applications to help detect and prevent undesirable behaviour, such as shoplifting, thefts, fraudulent transactions, vandalism, and terror attacks.

Video surveillance systems are increasingly used for many applications, such as crime prevention, tracking consumer behaviour, monitoring industrial processes and traffic management. Globally, the drive to enhance safety and security across different industries is adding significantly to this potential growth. The commercial sector is expected to show the largest market share during the forecast period. Growing focus on infrastructure protection, public safety and increasing demand for high resolution imaging are other key factors driving the market.

The Board regards the increasing demand for networking and wireless infrastructure (such as IP, 4G and 5G) as the key growth driver for the market. The Major Contract, which entails replacement of analogue cameras with IP-based ones, is an example of this trend.

The technology of Video analytics, such as facial recognition, is being enhanced rapidly and UniVision is in a favourable position to participate effectively in this market. The contract for supply and installation of the video analytic monitoring system at Tai Tam Correctional Institution is a good example for it.

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.

Business Environment

The protests against anti-extradition bill have seriously affected the business environment in Hong Kong in last year. It caused adverse effects on the Hong Kong economy, particularly in the retail and tourism sectors. Nevertheless, the protests provided business opportunity for the Company. Violence highlights the importance of public safety and security. The demand for upgrades the video surveillance system, such as facial recognition capabilities, is rising.

CHAIRMAN'S STATEMENT (Continued)

Additional work orders for replacement of damaged CCTV equipment caused by vandalism increased job orders and revenue from maintenance contracts for the Company.

Unlike the hotel, travel, catering, retailing sectors, COVID-19 has not seriously affected the Company's business. Nevertheless, as mentioned at the first part, it hindered the installation plans and affected the revenue.

Customer base

MTRC remains the Company's largest customer this financial year, representing 82.1% of the Company's total revenue. In addition, Electrical and Mechanical Services Department ("EMSD") and other commercial clients are also parts of our customer base.

EMSD and other departments of Hong Kong Government are another core sources of the Company's customer base. The Company is on the list in the category of Approved Specialist Contractors for Public Works: Video Electronics Installation. It indicates that UniVision is a qualified public works provider who enables to comply with the financial, technical and management criteria for the retention on the list of specialist contractors.

To avoid the concentration of customers, the Company will diversify its customer base particularly to the private and domestic sectors, such as sizeable multinational private enterprises.

New business and segment

The Board always explores and captures the business opportunity in other businesses particularly in the Electrical and Mechanical ("E&M") business. Besides, the Company will set up a new company to deliver some potential projects outside Hong Kong. The Board also considers to set up a branch or office in U.K. to expand its core business in the coming year. These indicate that the Company will not only expand the business geographically but also has a solid plan to launch new businesses other than the video surveillance business.

Our Strategy

Given the above market, business opportunities, and customer base analysis, I see three key future objectives:

- **Financial:** To deliver the MTRC Contract and other potential large-scale projects efficiently and profitably, the Company engages suitable subcontracting partner(s) with financial strength to minimise the risks associated with working capital for such sizeable contracts. The Board considers this outreach both desirable and prudent for the Company's further growth in the market.
- **Technology:** The Company will continue to acquire skills and training in networking and wireless technology areas and software skills for video analytics and facial recognition applications, to help providing customisation and localisation for our clients. We will also cooperate with the high qualified vendors and specialists in these technology areas to help us acquire new contracts.

CHAIRMAN'S STATEMENT (Continued)

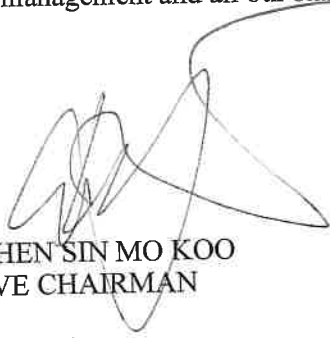
- People: Human Resources is one of the most valuable resources in the Company. In facing the high demand for the Major Contract, the Company will continue to equip the project managers and officers with technical skills to deliver the contracts effectively and also strengthen our sales and marketing activities and actively in tendering new contracts.

PROSPECTS

Year 2019 marks the 40th anniversary of UniVision's incorporation in Hong Kong. It is a milestone that signifies the Company's longevity and good standing in the security and surveillance business. The Company's core competency relies on our UniVision's brand name; and its dedicated, experienced, and people.

The Board expects that high demand in security and surveillance market will provide the ground and opportunity for the Company to grow. Given our sizable order book, especially the Major Contract, the Company will derive significant revenue in the next few reporting periods, but need to manage and monitor costs to generate profits attributable to shareholders.

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 our staff for their contribution.



MR. STEPHEN SIN MO KOO
EXECUTIVE CHAIRMAN

4 September 2020

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

DIRECTORS' BIOGRAPHIES

Stephen Sin Mo KOO – Executive Chairman (aged 63)

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 Company. He holds both a Bachelor Degree from the University of Technology, Sydney, and a Master 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 Company'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.

Peter Yip Tak CHAN – Chief Executive Officer (aged 56)

Mr. Chan joined UniVision in 1995 and was appointed as a Director on 3 October 2014. He is responsible for formulating and overseeing the implementation of UniVision's business development strategies and for the management of the Company's operations. Mr. Chan has rich experience in sales and project management. He holds a Degree in Computing from the University of Northwest Missouri. He is also responsible for management of UniVision's Sales and Marketing Division.

Danny Kwok Fai YIP – Finance Director (aged 56)

Mr. Yip was appointed as Finance Director on 18 September 2007. He was the Financial Controller for the Company 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 Company, Mr. Yip was the Accounting Manager of Nissin Food Group (Stock code 1475 of Hong Kong Stock Exchange), 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 Company.

Ivan Chi Hung CHAN – Director of Operations (aged 45)

Mr. Chan was appointed as a Director on 24 June 2020. He is also responsible for the management of UniVision's all operating divisions. Mr. Chan joined UniVision as Technician in October 1996, and was promoted to a number of increasingly senior positions in various departments, prior to being appointed to Chief Operations Officer on 1 November 2019. He holds a Bachelor of Engineering (Honours) degree in Electronics and Communication Engineering from the City University of Hong Kong.

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

(Continued)

Edward Keung Hung LI – Projects Director (aged 53)

Mr. Li was appointed as a Director on 24 June 2020. He is also responsible for the management of UniVision's Project Division. Mr. Li joined UniVision as Project Manager in 1991, spending nine years with the Company before leaving to work in a number of other project management roles in Hong Kong in electronic engineering, focus on transport and CCTV, including a number of significant projects relating to MTRC. Edward rejoined UniVision in March 2017 as Senior Project Manager to manage the Company's major long-term contract to replace the CCTV system on the MTRC. Mr. Li was promoted to Projects Director on 1 November 2019. He holds a Master Degree in Engineering Business Management from the Warwick University.

Nicholas James LYTH – Non-executive Director (aged 54)

Mr. Lyth is a qualified chartered management accountant and has rich and solid 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. He is responsible for day to day liaison with UK investors for UniVision. Mr. Nyth is the Chairman of the Audit Committee and a member of the Remuneration Committee.

Ivor Colin SHRAGO – Non-executive Director (aged 77)

Mr. Shrago was admitted as solicitor to the Supreme Court of England and Wales in 1966 and to the Supreme Court of Hong Kong in 1997. He has more than 40 years' experience practising law. In 1996, he was the General Counsel to Peregrine Direct Investments Limited, the investment arm of the Peregrine Banking Group in Hong Kong, which was primarily involved in fund management. He then joined the asset management arm of Vigers Asset Management Limited as managing director, while at the same time acting as general counsel for the Company. In 2002, Ivor joined Druces LLP (formerly Druces & Attlee) and was Partner until 2007. Since that time he has been a consultant with a number of city law firms and has been a non-executive director of a number of AIM quoted and other public companies. Mr. Shargo is the Chairman of the Remuneration Committee and a member of the Audit Committee.

SENIOR MANAGEMENT'S BRIEF BIOGRAPHIES

Jianrong FAN – Software Development Manager (aged 57)

Mr. Fan joined UniVision as System Engineer in 7 December 2015 and has rich and solid experience in software development and management. Mr. Fan was promoted to the present position on 1 October 2019. He oversees the function of UniVision's CCTV Software Development. Mr. Fan was also employed by UniVision during the period from May 1993 to February 2001 as Research and Department Manager. He performed the leading role in the software design and development in the UniVision's projects. He holds a Bachelor degree in Electronic Engineering from the Science and Technology Department of International Political Institute in China.

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

(Continued)

Wai Chung LAM – Software Development Manager (aged 51)

Mr. Lam joined UniVision in October 2012, and has rich and solid experience in Software Development. He has managed UniVision's Research and Development and CCTV Software Development. Mr. Lam was also employed by UniVision during the period from June 1993 to July 2000. He performed the leading role in the system integration development project of MTRC and Hong Kong International Airport at that period. He holds a Higher Diploma in Computer Engineering from the City University of Hong Kong.

Canis Tsui Yi TAM – Administration and Quality Assurance Manager (aged 48)

Ms. Tam joined UniVision as Quality and Safety Administrator in January 1997, and was promoted to Senior Administrator on 1 March 2000. She has been appointed to present position more than 10 years. Miss Tam is now responsible to manage the Quality Control System and Safety compliance for the Company. She also oversees the function of office administration management. She holds a Bachelor (Honours) degree in Information Systems from the City University of Hong Kong.

UNIVISION ENGINEERING LIMITED DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report together with the audited financial statements of the Company for the year ended 31 March 2020.

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 Company's performance by business segments is set out in note 7 to the financial statements.

Review of the Business

Details on the assessment and analysis of the Company'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 Company's profit for the year ended 31 March 2020 and the state of affairs of the Company at that date are set out in the statement of profit or loss and other comprehensive income on page 29 and in the statement of financial position on page 30, respectively.

The Company's changes in shareholders' equity for the year ended 31 March 2020 are set out in the Company's statement of changes in equity on page 31.

The Company's cash flow for the year ended 31 March 2020 is set out in the Company's statement of cash flows on pages 32.

DIRECTORS' REPORT

(Continued)

Key Performance Indicators (KPI)

		<u>2020</u>	<u>2019</u>
Current Ratio:	Current Assets / Current Liabilities :	1.8	2.4
Average Collection Period :	Trade receivables (net of allowance for doubtful debts) / Revenue per day :	19 days	20 days
Inventory Turnover :	Cost of revenue / Inventories :	8.4	17.2
Gross profit Margin :	Gross profit / Revenue :	19%	23%
Return on Invested Capital :	Operating profit /Net assets :	5%	22%
Quick Ratio :	(Current Assets –Inventories) / Current Liabilities :	1.6	2.2

Share Capital and Reserves

Details of the movements in share capital are set out in note 27 on page 60.

The movements in reserves during the year are set out in the statement of changes in equity on page 31.

Dividends

The Directors propose that the payment of a final dividend of 0.55 HK cents (gross) per share for the financial year ended 31 March 2020.

Plant and Equipment

Details of the movements in plant and equipment are set out in note 16 on page 54.

DIRECTORS' REPORT

(Continued)

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
Ivor Colin SHRAGO
Danny Kwok Fai YIP
Peter Yip Tak CHAN
Ivan Chi Hung CHAN - appointed on 24 June 2020
Edward Keung Hung LI - appointed on 24 June 2020
Mike Chiu Wah CHAN - ceased from 1 November 2019
Chun Pan WONG - ceased from 27 December 2019

Mr. Peter Yip Tak CHAN, Mr. Nicholas James LYTH and Mr. Ivor Colin SHRAGO 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 or its holding company 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 2020

Stephen Sin Mo KOO	279,703,700*
Nicholas James LYTH	1,200,000
Ivor Colin SHRAGO	5,315,000
Danny Kwok Fai YIP	-
Peter Yip Tak CHAN	-

DIRECTORS' REPORT

(Continued)

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

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

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

In summary, Mr. Stephen Koo has a total direct and indirect interest in 279,703,700 ordinary shares in the Company, equivalent to 72.9% of the Company's total issued share capital.

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

Directors' Rights to Acquire Shares or Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or its holding company, 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 27 August 2020, the Directors had been informed of the following companies that held 3% or more of the Company's issued ordinary share capital:

	Number of ordinary shares	% of total issued share capital
UniVision Holdings Limited (1)	183,736,000	47.9
Up Sky Investments Limited (2)	78,744,000	20.5
JIM Nominees Limited JARVIS	18,168,744	4.7
Hargreaves Lansdown (Nominees) Limited 15942	18,122,693	4.7
Hargreaves Lansdown (Nominees) Limited VRA	12,944,623	3.4

DIRECTORS' REPORT

(Continued)

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

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

Payments to Creditors

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

Political and Charitable Donations

During the year the Company made Nil charitable contributions (2019: Nil). No political contribution was made.

Environmental Policy

The Company 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 Company values staff involvement at all levels of operations, and uses various means to train, inform and consult the employees. The Company 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 Company.

The Company 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 Company 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 201, 2/F Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, on 30 September 2020 at 5:00 p.m. The Notice of Meeting appears on page 65.

Annual Report

The annual report for the year ended 31 March 2020 will be uploaded on the Company's website www.uvel.com on 4 September 2020 upon announcement and the hard copy will be sent to shareholders by our Registrars, Computershare Investor Services (Jersey) Limited.

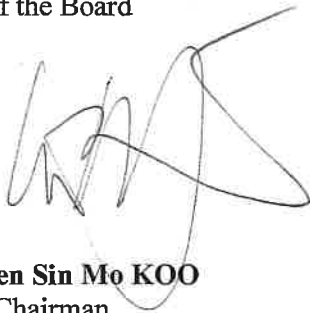
DIRECTORS' REPORT

(Continued)

Auditor

PKF Hong Kong Limited, Certified Public Accountants, was appointed as our auditor for the year. A resolution to re-appoint PKF Hong Kong 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 2020

REMUNERATION REPORT

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

Membership of Remuneration Committee

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

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 Company 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 £	2020 Total £	2019 Total £
Executive Directors					
Stephen Sin Mo KOO	-	-	-	-	-
Chun Pan WONG	74,410	1,359	-	75,769	102,795
Danny Kwok Fai YIP	66,461	1,812	5,647	73,920	69,543
Peter Yip Tak CHAN	68,525	1,812	5,874	76,211	72,819
Mike Chiu Wah CHAN	51,472	1,057	-	52,529	41,741
Non-executive Director					
Nicholas James LYTH	14,497	-	-	14,497	15,684
Ivor Colin SHRAGO	14,497	-	-	14,497	7,126

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. Changes to AIM rules on 30 March 2018 required AIM companies to apply a recognised corporate governance code from 28 September 2018. The Company has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code to meet the new requirements of AIM Rule 26. It is the commitment of the Board to manage the Company'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 Board has disclosed the Corporate Governance Statement on its website how the Company complies with the 10 principles of the QCA Code. 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 QCA Code requires that the boards of AIM companies have an appropriate balance between executive and non-executive directors. The Company has strengthened the board and has satisfied this requirement by appointing Mr. Ivor Colin SHRAGO as independent non-executive director on 27 September 2018.

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.

REPORT ON CORPORATE GOVERNANCE

(Continued)

Audit Committee

Our Audit Committee comprises Mr. Nicholas James LYTH (our Non-executive Director), Mr. Ivor Colin SHRAGO (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 year.

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. Ivor Colin SHRAGO (our Non-executive Director), Mr. Nicholas James LYTH (our Non-executive Director) and Mr. Stephen Sin Mo KOO (our Executive Chairman) and is chaired by Mr. Ivor Colin SHRAGO. 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.

REPORT ON CORPORATE GOVERNANCE

(Continued)

Internal Control

The Board of Directors is responsible for ensuring that the Company maintains an internal financial control system with appropriate monitoring procedures. The purpose of this system is to safeguard Company assets, maintain proper accounting records, and ensure that reliable financial information is used within the Company 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 process and the performance of the systems, setting annual budgets and periodic forecasts, and seeking any prior approval for all significant expenditure.

The Company 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 Company. This decision will be kept under review.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has 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 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 Company'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 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transaction and disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the 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 Company's website. The Company is compliant with AIM Rule 26 regarding the Company's website.



26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of UniVision Engineering Limited (the "Company") set out on pages 29 to 64, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "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.

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Key Audit Matters

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

Revenue recognition on service contracts from supply, design and installation of closed circuit television and surveillance systems

Key audit matter

We identified the revenue recognition on service contracts from the supply, design and installation of closed circuit television and surveillance systems as a key audit matter due to the significant judgments exercised by the management in determining the total contract costs and contract costs incurred for work performed to date.

As set out in note 4 to the financial statements, the Company recognises service revenue by reference to the progress towards complete satisfaction of the relevant performance obligation using input method, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. This revenue recognition involves a significant degree of management estimates and judgement, with estimates being made to assess the total contract costs and stage of completion of the contract.

As disclosed in note 7 to the financial statements, the Company recorded revenue from the provision of construction works of £8,891,163 for the year ended 31 March 2020.

How our audit addressed the key audit matter

Our procedures in relation to the Company's revenue recognition on service contracts included:

- Understood the management's process relating to the estimation of total contract costs and recording of costs;
- Obtained an understanding from the Company's project team about the contract terms, performance and status of selected contracts to evaluate the reasonableness of the basis of estimation of the total contract costs, and contract costs incurred for work performed to date;
- Performed comparisons between the percentage of completion and the percentage of progress billing on selected contracts to identify and investigate any significant differences by obtaining an understanding from project team and checking correspondence with customers of the Company; and
- Checked the progress billings, on a sample basis, to invoices issued and checked contract costs incurred, on a sample basis, to invoices received and human resources record respectively.

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Key Audit Matters (Continued)

Estimated provision of expected credit losses ("ECL") for receivables measured at amortised cost and contract assets

Key audit matter

We identified the estimated provision of ECL for receivables measured at amortised cost and contract assets as a key audit matter due to the significance of these assets to the Company's financial statements and the involvement of subjective judgement and management estimates in evaluating the ECL.

As at 31 March 2020, the Company's trade receivables, other receivables, contract assets and amounts due from related companies are £568,907, £1,330,320, £6,243,276 and £3,157,799 respectively.

How our audit addressed the key audit matter

Our procedures in relation to estimated provision of ECL for receivables measured at amortised cost and contract assets included:

- Understood and assessed the effectiveness of related key internal control design in relation to the credit approval and impairment loss allowances;
- Assessed the recoverability of a sample of outstanding balances by reviewing the historical patterns of receipts, customers' ability to repay and ageing analyses, arranging circularisation and assessing cash received subsequent to year end;
- Assessed management's provision policy for ECL on receivables and contract assets by selecting samples and:
 - noting the historical repayment patterns;
 - assessing cash received subsequent to year end;
 - evaluating the plans for recovering the outstanding balances, such as realisation of the pledged assets and enforcement of guarantees;
 - questioning management's knowledge of future conditions that may impact the expected customer receipts;
 - reviewing and verifying the ageing analyses and the related provisions; and
 - performing overall analytics on the reasonableness of the impairment provisions.

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Other Information

The directors are responsible for the other information which comprises the information included in the Company's annual report for the year ended 31 March 2020 other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 Company's financial reporting process.

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company'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 uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Independent auditor's report
To the members of
UniVision Engineering Limited
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)


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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the 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.

Use of Report

This report is made solely to the Company's members, 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 members 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's members as a body, for our audit work, for this report or for the opinion we have formed.

The engagement director on the audit resulting in this independent auditor's report is Lam Kar Bo (Practising Certificate Number : P05453).



PKF Hong Kong Limited
Certified Public Accountants
Hong Kong

Hong Kong, China
4 September 2020

UNIVISION ENGINEERING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2020

	<i>Notes</i>	2020 £	2019 £
Revenue	<i>7(a)</i>	10,728,544	14,221,497
Cost of revenue	<i>10</i>	<u>(8,647,222)</u>	<u>(11,018,631)</u>
Gross profit		2,081,322	3,202,866
Other income	<i>8</i>	36,905	4,141
Other gains and losses, net	<i>9</i>	(11,049)	(70,660)
Selling and distribution expenses	<i>10</i>	(30,503)	(55,320)
Administrative expenses	<i>10</i>	(1,529,749)	(1,296,672)
Finance costs	<i>12</i>	<u>(95,243)</u>	<u>(55,409)</u>
Profit before income tax		451,683	1,728,946
Income tax	<i>13</i>	<u>-</u>	<u>-</u>
Profit for the year		<u>451,683</u>	<u>1,728,946</u>
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements		<u>548,560</u>	<u>466,240</u>
Total comprehensive income for the year		<u>1,000,243</u>	<u>2,195,186</u>
Earnings per share – Basic and Diluted	<i>14</i>	<u>0.12p</u>	<u>0.45p</u>

UNIVISION ENGINEERING LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	<i>Notes</i>	2020 £	2019 £
ASSETS			
Non-current assets			
Plant and equipment	16	135,121	143,146
Right-of-use assets	17	276,119	-
Amounts due from related companies	29	3,157,799	3,322,882
Deposit placed for a life insurance policy	18	941,772	-
Prepayments		<u>76,017</u>	<u>96,086</u>
Total non-current assets		<u>4,586,828</u>	<u>3,562,114</u>
Current assets			
Inventories	19	1,034,289	642,375
Trade and other receivables	20	2,406,863	2,274,267
Contract assets	21	6,243,276	3,576,824
Cash and bank balances	22	<u>980,238</u>	<u>1,750,056</u>
Total current assets		<u>10,664,666</u>	<u>8,243,522</u>
Total assets		<u>15,251,494</u>	<u>11,805,636</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	23	3,824,759	2,521,122
Contract liabilities	24	1,316,446	956,616
Bank borrowings	26	682,486	-
Lease liabilities	25	<u>213,288</u>	<u>-</u>
Total current liabilities		<u>6,036,979</u>	<u>3,477,738</u>
Non-current liabilities			
Amount due to a related company	23	437,500	409,556
Lease liabilities	25	<u>70,877</u>	<u>-</u>
Total non-current liabilities		<u>508,377</u>	<u>409,556</u>
Total liabilities		<u>6,545,356</u>	<u>3,887,294</u>
Capital and reserves			
Share capital	27	3,890,257	3,890,257
Reserves		<u>4,815,881</u>	<u>4,028,085</u>
Total equity		<u>8,706,138</u>	<u>7,918,342</u>
Total liabilities and equity		<u>15,251,494</u>	<u>11,805,636</u>

The financial statements on pages 29 to 64 were authorised for issue by the board of directors on 4 September 2020 and were signed on its behalf by:


 Stephen Sin Mo KOO, Director


 Yip Tak CHAN, Director

UNIVISION ENGINEERING LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	<i>Share capital</i> £	<i>Retained earnings</i> £	<i>Special capital reserve "A"</i> £ <i>(Note 1)</i>	<i>Special capital reserve "B"</i> £ <i>(Note 2)</i>	<i>Translation reserve</i> £	<i>Total</i> £
Balance at 1 April 2018	3,890,257	641,880	155,876	143,439	1,051,430	5,882,882
Profit for the year	-	1,728,946	-	-	-	1,728,946
Other comprehensive income, net of tax	-	-	-	-	-	-
Exchange difference arising on translation of financial statements	-	-	-	-	466,240	466,240
Total comprehensive income	-	1,728,946	-	-	466,240	2,195,186
Dividend paid in respect of year 2018 (Note 15)	-	(159,726)	-	-	-	(159,726)
Total transactions with owners, recognised directly in equity	-	(159,726)	-	-	-	(159,726)
Balance at 31 March 2019	3,890,257	2,211,100	155,876	143,439	1,517,670	7,918,342
Profit for the year	-	451,683	-	-	-	451,683
Other comprehensive income, net of tax	-	-	-	-	-	-
Exchange difference arising on translation of financial statements	-	-	-	-	548,560	548,560
Total comprehensive income	-	451,683	-	-	548,560	1,000,243
Dividend paid in respect of year 2019 (Note 15)	-	(212,447)	-	-	-	(212,447)
Total transactions with owners, recognised directly in equity	-	(212,447)	-	-	-	(212,447)
Balance at 31 March 2020	3,890,257	2,450,336	155,876	143,439	2,066,230	8,706,138

The currency translation from Hong Kong dollar to the presentation currency of Sterling Pound of these financial statements has no impact on the available distributable reserves of the Company as at 31 March 2020.

Notes:

1. 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.

2. Special capital reserve "B"

By a special resolution passed on 30 July 2004 and pursuant to the 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
STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

	<i>Notes</i>	2020	2019
		£	£
Cash flows from operating activities			
Profit before income tax		451,683	1,728,946
Adjustments for:			
Interest expense on bills payable and factoring	12	61,501	55,409
Interest expense on bank borrowings	12	21,205	-
Interest on lease liabilities	12	12,537	-
Interest income	8	(36,905)	(3,947)
Depreciation of plant and equipment	16	56,694	47,318
Depreciation of right-of-use assets	17	179,977	-
Provision for warranty		-	(9,681)
Inventories written-off		-	50,457
(Gain)/loss on disposal of plant and equipment	9	(201)	128
Operating cash flows before working capital changes		746,491	1,868,630
Changes in operating assets and liabilities:			
Prepayments and deposit		25,731	(95,397)
Inventories		(336,416)	349,960
Trade and other receivables	33	37,560	44,735
Contract assets		(2,341,199)	(1,062,323)
Amounts due from related companies		378,665	(9,154)
Trade and other payables		1,093,686	293,977
Contract liabilities		284,685	(578,893)
Net cash (used in)/generated from operating activities		(110,797)	811,535
Cash flows from investing activities			
Interest received	8	36,905	3,947
Purchase of plant and equipment		(39,498)	(131,857)
Proceeds from disposal of plant and equipment		201	10
Deposit placed for a life insurance policy		(910,199)	-
Net cash used in investing activities		(912,591)	(127,900)
Cash flows from financing activities			
Bank interest paid	12	(82,706)	(55,409)
Dividend paid to shareholders of the Company	15, 33	(67,109)	(159,726)
Advances from a related company	30	-	290,444
New bank loans	30	659,606	-
Capital element of lease liabilities paid	30	(172,201)	-
Interest element of lease liabilities paid	30	(12,537)	-
Net cash generated from financing activities		325,053	75,309
Net (decrease)/increase in cash and cash equivalents		(698,335)	758,944
Cash and cash equivalents at beginning of year		1,312,211	524,329
Effect of foreign exchange rate changes, net		65,310	28,938
Cash and cash equivalents at end of year	22	679,186	1,312,211

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. GENERAL INFORMATION

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 Company’s registered office is Unit 201, 2/F., Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

These financial statements are presented in Sterling Pound (“£”), which is the presentation currency of the Company.

The Company is mainly engaged in the supply, design, installation and maintenance of closed circuit television and surveillance systems and the sale of security system related products in Hong Kong.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board. The measurement basis used in the preparation of these financial statements is the historical cost basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and key sources of estimation uncertainty are discussed in note 5 to the financial statements.

3. APPLICATION OF NEW AND REVISED IFRSs

(a) Initial application of IFRSs

In the current year, the Company initially applied the following IFRSs:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to IFRSs (2015-2017)	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

The Company had to change its accounting policies following the adoption of IFRS 16. For details, please refer to note 3(c) to the financial statements. The other amendments listed above did not have material impact on the Company’s financial statements for the current or prior years.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. APPLICATION OF NEW AND REVISED IFRSs

(b) IFRSs in issue but not yet effective

The following IFRSs in issue at 31 March 2020 have not been applied in the preparation of these financial statements since they were not yet effective for the annual period beginning on 1 April 2019:

IFRS 17	Insurance Contracts ²
Amendments to IFRS 3	Definition of Business ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1 and IAS 8	Definition of Material ²
Amendments to IAS 39, IFRS 7 and IFRS 9	Hedge accounting ¹
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ¹

¹ Effective for the Company's annual financial statements beginning on 1 April 2020

² Effective for the Company's annual financial statements beginning on 1 April 2022

³ Effective for the annual periods beginning on or after a date to be determined

The Company is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application.

(c) Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 on the Company's financial statements and also discloses the new accounting policies that have been applied from 1 April 2019, where they are different to those applied in prior periods.

IFRS 16 replaces IAS 17, Leases, and the related interpretations, IFRIC-Int 4, Determining whether an arrangement contains a lease, ISIC-Int 15, Operating leases - incentives, and ISIC-Int 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

IFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Company has initially applied IFRS 16 on 1 April 2019. The Company has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balances of right-of-use assets and lease liabilities at 1 April 2019. Comparative information has not been restated and continues to be reported under IAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. APPLICATION OF NEW AND REVISED IFRSs (CONTINUED)

(c) Changes in accounting policies (cont'd)

New definition of a lease (cont'd)

The Company applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Company has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

Lease accounting and transitional impact

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Company is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Company is concerned, these newly capitalised leases are primarily in relation to right-of-use assets as disclosed in note 17 to the financial statements. For an explanation of how the Company applies lessee accounting, see note 4.10 to the financial statements.

At the date of transition to IFRS 16 (i.e. 1 April 2019), the Company determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5.125%.

To ease the transition to IFRS 16, the Company applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

- (1) the Company elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 March 2020; and
- (2) when measuring the lease liabilities at the date of initial application of IFRS 16, the Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments as disclosed in note 31 to the financial statements to the opening balance for lease liabilities recognised as at 1 April 2019:

	£
Operating lease commitments at 31 March 2019	337,485
Less: commitment relating to leases exempt from capitalisation	
- short-term leases and other leases with remaining lease term ended on or before 31 March 2020	(43,628)
	293,857
Less: total future interest expenses	(13,365)
Total lease liabilities recognised at 1 April 2019	280,492

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. APPLICATION OF NEW AND REVISED IFRSs (CONTINUED)

(c) Changes in accounting policies (cont'd)

Lease accounting and transitional impact (cont'd)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 March 2019.

The following table summarises the impacts of the adoption of IFRS 16 on the Company's statement of financial position:

	At 31 March 2019	Capitalisation of lease contracts	At 1 April 2019
	£	£	£
Non-current assets			
Right-of-use assets	-	280,492	280,492
Current liabilities			
Lease liabilities	-	(157,201)	(157,201)
Non-current liabilities			
Lease liabilities	-	(123,291)	(123,291)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incurs expenses, including revenue 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.

4.2 Foreign currency

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 Company operates (the "functional currency"), which is Hong Kong Dollar ("HK\$"). These financial statements are presented in Sterling Pound ("£"), which is the Company's presentation currency. As the Company is listed on the AIM, the directors consider that this presentation is more useful for its current and potential investors.

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 re-measured. 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 profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Plant and equipment

Plant and equipment are 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

Fully depreciated plant and equipment are retained in the financial statements until the items are no longer in use.

The residual values, useful lives 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 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.

4.4 Impairment of non-financial assets

The carrying amounts of non-current assets, including plant and equipment and right-of-use assets, 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).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4.4 Impairment of non-financial assets (cont'd)

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.

4.5 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.

4.6 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. 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.

4.6.1 Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for ECL on financial assets and other assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Company always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings. For all other instruments, the Company measures the loss allowance equals to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Financial instruments (cont'd)

4.6.1 Financial assets (cont'd)

Impairment of financial assets (cont'd)

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Company considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are re-measured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at fair value through other comprehensive income (recycling), for which the loss allowances are recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Company assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Financial instruments (cont'd)

4.6.1 Financial assets (cont'd)

Impairment of financial assets (cont'd)

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

4.6.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company 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 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.

4.6.3 Derecognition

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 Company derecognises financial liabilities when, and only when, the 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.

4.6.4 Offsetting financial instruments

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

4.8 Dividend distributions

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

4.9 Revenue recognition

Revenue from contracts with customers

Under IFRS 15, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the Company performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Company's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (provision of design and installation services and sales of goods), the Company allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

Contracts with multiple performance obligations (including allocation of transaction price) (cont'd)

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Company would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Company estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Company's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depicts the Company's performance in transferring control of goods or services.

Service revenue from supply, design and installation of closed circuit television and surveillance systems is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method as the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Service revenue from maintenance contracts is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company. Revenue is recognised on a straight-line basis because the Company's inputs are expended evenly throughout the performance period.

Trading income is recognised at a point in time when the customer obtains control of the distinct good.

4.10 Leases

After application of IFRS 16 on 1 April 2019

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Company has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Leases (cont'd)

After application of IFRS 16 on 1 April 2019 (cont'd)

As a lessee (cont'd)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation (Note 17) and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Before application of IFRS 16 on 1 April 2019

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.

4.11 Employee benefits

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

Short-term employee benefits, including salaries, annual bonuses, paid annual leave and 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 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 operates and generates 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 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 a 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 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.

4.13 Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when 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.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4.14 Events after the reporting period

Events after the reporting period that provide additional information about 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.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Related parties

A person or a close member of that person's family is related to the Company if that person:

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

An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company 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 Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in the above paragraph.
- (vii) A person identified in (i) of the above paragraph 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 Company or to the Company'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. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are 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.

Revenue recognition on service contracts

The Company recognises revenue on service contracts from supply, design and installation of closed circuit television and surveillance systems by reference to the progress towards complete satisfaction of the relevant performance obligation using the input method, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management regularly discusses with the project team in order to review and revise the estimates of the total contract costs and stage of completion of the work performed to date with reference to the performance and status of corresponding service contract work. Accordingly, revenue recognition on service contracts involves a significant degree of management estimates and judgment, with estimates being made to assess the total contract costs and contract costs incurred for work performed to date.

The management reviews and revises the estimates of total contract costs and contract costs incurred for work performed to date as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimated provision of ECL for receivables measured at amortised cost and contract assets

The management of the Company estimates the amount of impairment loss for ECL on receivables measured at amortised cost and contract assets based on the credit risk of these assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The provision of ECL is sensitive to changes in estimates.

Income taxes

The Company is subject to profits tax in Hong Kong. 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 2020, the Company has unused tax losses of approximately £1,838,000 (2019: £2,179,000) available for offset against future profits and no deferred tax asset has been recognised thereon. 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 a recognition takes place.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2020	2019
	£	£
Financial assets		
Amounts due from related companies	3,157,799	3,322,882
Deposit placed for a life insurance policy	941,772	-
Trade and other receivables	2,406,863	2,274,267
Cash and bank balances	<u>980,238</u>	<u>1,750,056</u>
Financial liabilities		
Trade and other payables	3,824,759	2,521,122
Amount due to a related company	437,500	409,556
Bank borrowings	682,486	-
Lease liabilities	<u>284,165</u>	<u>-</u>

(b) Financial risk management objectives and policies

Details of the Company's major 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. The Company's management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk

Currency risk

The Company has foreign currency transactions and foreign currency denominated financial assets and liabilities, which expose the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated financial assets and liabilities at the end of each reporting period are as follows:

	<i>Assets</i>		<i>Liabilities</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Renminbi	5,323	161,387	568,750	567,360
United States dollar	948,100	134,671	1,023,750	-

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

The following table details the Company's sensitivity to a 5% increase and decrease in Sterling Pound against the relevant foreign currencies with all other variables held constant. 5% (2019: 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 financial instruments and adjusts their translation at the end of the reporting period for a 5% (2019: 5%) change in foreign currency rates.

	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>
Renminbi		
Post-tax profit for the year	29,654	21,367
United States dollar		
Post-tax profit for the year	3,982	(7,088)

Interest rate risk

The Company is exposed to fair value interest rate risk in relation to its bank deposits. The Company is exposed to cash flow interest rate risk due to fluctuation of the prevailing market interest rate on bank borrowings which carry interest at prevailing market interest rates as shown in notes 26 and 32 to the financial statements.

The Company currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(i) Market risk (cont'd)

Interest rate risk (cont'd)

The Company's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

The sensitivity analysis below has been determined based on the change in interest rates and the exposure to interest rates for the non-derivative financial liabilities at the end of the reporting period and on the assumption that the amount outstanding at the end of the reporting period was outstanding for the whole year and held constant throughout the financial year. The 25 basis points increase or decrease represents the management's assessment of a reasonably possible change in interest rates over the period until the next fiscal year. The analysis is performed on the same basis for 2019.

For the year ended 31 March 2020, if interest rates had been 25 basis points higher/lower with all other variables held constant, the Company's post-tax profit for the year would increase/decrease by approximately £4,081 (2019: £2,736).

(ii) Credit risk

At 31 March 2020, 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 statement of financial position.

In order to minimise credit risk, the management has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis. Credit evaluations of the counterparties' financial position and conditions are performed on each and every major debtor periodically.

The Company measures ECLs for trade and other receivables and contract assets at an amount calculated using a provision matrix, details of which are set out in notes 20 and 21 to the financial statements. At the end of the reporting period, the Company had concentrations of credit risk where trade and other receivables balance of the Company's largest external customer exceeds 10% of the total trade and other receivables at the end of the reporting period.

The credit risk on deposit placed for a life insurance policy and liquid funds is limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit rating agencies.

The Company's exposure credit risk is considered limited.

(iii) Liquidity risk

The Company is responsible for its own cash management, including the raising of loans to cover the expected cash demands. In managing liquidity risk, the Company's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed funding lines from the financial institutions to meet its liquidity requirements in the short and longer term. At 31 March 2020, the Company's banking facilities amounted to £7,858,538 (2019: £5,655,778) and the unused facilities were £5,903,189 (2019: £4,553,605).

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

(iii) Liquidity risk (cont'd)

	2020					Carrying amount at 31 March 2020 £
	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 £	
Trade and other payables	Nil	3,708,335	-	-	3,708,335	3,708,335
Amount due to a related company	Nil	-	437,500	-	437,500	437,500
Bank borrowings	3.55	684,538	-	-	684,538	682,486
Lease liabilities	5.125	222,031	72,444	-	294,475	284,165
		<u>4,614,904</u>	<u>509,944</u>	<u>-</u>	<u>5,124,848</u>	<u>5,112,486</u>

	2019					Carrying amount at 31 March 2019 £
	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 £	
Trade and other payables	Nil	2,521,122	-	-	2,521,122	2,521,122
Amount due to a related company	Nil	-	409,556	-	409,556	409,556
		<u>2,521,122</u>	<u>409,556</u>	<u>-</u>	<u>2,930,678</u>	<u>2,930,678</u>

(c) Fair value

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

(d) Capital risk management

The primary objectives when managing capital are to safeguard the 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 Company actively and regularly reviews and manages 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 Company monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose, net debt is defined as total debt less bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity less proposed dividends but not yet accrued.

The strategy during 2020, which is unchanged from 2019, is to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Capital risk management (cont'd)

The net debt-to-adjusted capital ratio of the Company at the end of the reporting period is as follows:

	2020 £	2019 £
Total liabilities	6,545,356	3,887,294
Cash and bank balances	<u>(980,238)</u>	<u>(1,750,056)</u>
Net debt	<u>5,565,118</u>	<u>2,137,238</u>
Total equity	<u>8,706,138</u>	<u>7,918,342</u>
Net debt-to-adjusted capital ratio	<u>64%</u>	<u>27%</u>

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 Company has a single reportable operating segment in security and surveillance business for the year ended 31 March 2020.

(a) Segment revenues and results

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

	2020 £	2019 £
Segment revenue by major products and services		
- Construction contracts	8,891,163	12,635,262
- Maintenance contracts	1,625,775	1,426,493
- Product sales	<u>211,606</u>	<u>159,742</u>
Revenue from contracts with customers and external customers	<u>10,728,544</u>	<u>14,221,497</u>
Segment profit	546,926	1,784,355
Finance costs	<u>(95,243)</u>	<u>(55,409)</u>
Profit before income tax	<u>451,683</u>	<u>1,728,946</u>

(b) Information about major customers

Revenue of approximately £8,812,800 (2019: £11,995,000) is derived from one external customer (2019: one customer), who contributed to 10% or more of the Company's revenue in 2020 and 2019.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

8. OTHER INCOME

	<i>2020</i>	<i>2019</i>
	£	£
Interest income	36,905	3,947
Sundry income	-	194
	<u>36,905</u>	<u>4,141</u>

9. OTHER GAINS AND LOSSES, NET

	<i>2020</i>	<i>2019</i>
	£	£
Foreign exchange loss	(11,250)	(10,203)
Gain/(loss) on disposal of plant and equipment	201	(128)
Inventories write-off	-	(50,457)
Others	-	(9,872)
	<u>(11,049)</u>	<u>(70,660)</u>

10. EXPENSES BY NATURE

	<i>2020</i>	<i>2019</i>
	£	£
Cost of inventories recognised as expenses	5,709,694	8,673,468
Sub-contracting costs	1,185,287	1,013,057
Depreciation – owned plant and equipment	56,694	47,318
Depreciation – right-of-use assets	179,977	-
Research and development costs	23,875	31,148
Selling and distribution cost	2,709	2,995
Minimum lease payments for lease previously classified as operating lease under IAS 17	-	187,090
Short-term lease expenses	54,411	-
Other expenses	453,342	322,189
Staff costs, including directors' remuneration		
- Wages and salaries	2,415,640	1,988,631
- Pension scheme contributions	99,379	78,128
	2,515,019	2,066,759
Auditor's remuneration		
- Audit services	26,466	26,599
Total cost of sales, selling and distribution, administrative expenses	<u>10,207,474</u>	<u>12,370,623</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

11. DIRECTORS' REMUNERATION

Directors' remuneration for the year is as follows:

	<i>Salaries, bonuses and allowances</i>	<i>Pension scheme contributions</i>	<i>2020</i>
	£	£	£
Executive directors			
Stephen Sin Mo KOO	-	-	-
Peter Yip Tak CHAN	74,399	1,812	76,211
Chun Pan WONG	74,410	1,359	75,769
Danny Kwok Fai YIP	72,108	1,812	73,920
Mike Chiu Wah CHAN	51,472	1,057	52,529
	<u>272,389</u>	<u>6,040</u>	<u>278,429</u>
Non-executive directors			
Nicholas James LYTH	14,497	-	14,497
Ivor Colin SHARGO	14,497	-	14,497
	<u>28,994</u>	<u>-</u>	<u>28,994</u>
	<u>301,383</u>	<u>6,040</u>	<u>307,423</u>

Messrs. Mike Chiu Wah CHAN and Chun Pun WONG resigned as the Company's directors on 31 October 2019 and 26 December 2019 respectively.

	<i>Salaries, bonuses and allowances</i>	<i>Pension scheme contributions</i>	<i>2019</i>
	£	£	£
Executive directors			
Stephen Sin Mo KOO	-	-	-
Peter Yip Tak CHAN	71,076	1,743	72,819
Chun Pan WONG	101,052	1,743	102,795
Danny Kwok Fai YIP	67,800	1,743	69,543
Mike Chiu Wah CHAN	40,724	1,017	41,741
	<u>280,652</u>	<u>6,246</u>	<u>286,898</u>
Non-executive directors			
Nicholas James LYTH	15,684	-	15,684
Ivor Colin SHARGO	7,126	-	7,126
	<u>22,810</u>	<u>-</u>	<u>22,810</u>
	<u>303,462</u>	<u>6,246</u>	<u>309,708</u>

12. FINANCE COSTS

	<i>2020</i>	<i>2019</i>
	£	£
Interest expense on bills payable and factoring	61,501	55,409
Interest expense on bank borrowings	21,205	-
Interest on lease liabilities	<u>12,537</u>	<u>-</u>
	<u>95,243</u>	<u>55,409</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

13. INCOME TAX

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

No provision for Hong Kong profits tax has been accrued for in these financial statements as the Company has unused tax losses brought forward to offset against its taxable profit for the year.

Reconciliation between income tax and profit before income tax is as follows:

	2020 £	2019 £
Profit before income tax	<u>451,683</u>	<u>1,728,946</u>
Notional tax on profit before income tax, calculated at Hong Kong profits tax rate of 16.5%	74,528	285,276
Tax effect of non-taxable income	(43)	(8)
Tax effect of non-deductible expenses	10,918	9,974
Tax effect of temporary differences not recognised	(7,440)	(18,240)
Utilisation of unrecognised tax losses	<u>(77,963)</u>	<u>(277,002)</u>
Income tax	<u>-</u>	<u>-</u>

(b) Deferred tax

At 31 March 2020, the Company's significant temporary difference included unused tax losses of £1,838,451 (2019: £2,178,697) available for offset against future taxable profits. No deferred tax asset has been recognised due to the uncertainty of future profit streams.

	2020 £	2019 £
Balance at beginning of year	2,178,697	3,591,859
Set-off against assessable profit for the year	(472,506)	(1,678,799)
Foreign exchange difference	<u>132,260</u>	<u>265,637</u>
Balance at end of year	<u>1,838,451</u>	<u>2,178,697</u>

No provision for deferred tax liabilities has been made in the financial statements as the tax effect of temporary differences arising from depreciation allowances is immaterial to the Company.

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 £451,683 (2019: £1,728,946), and the weighted average of 383,677,323 (2019: 383,677,323) ordinary shares in issue during the year.

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

15. DIVIDENDS

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

	2020 £	2019 £
Final dividend proposed after the reporting period of 0.55 HK cents, equivalent to 0.0573 pence per ordinary share (2019: 0.55 HK cents, equivalent to 0.0536 pence, per ordinary share)	<u>219,815</u>	<u>205,775</u>

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

	2020 £	2019 £
Final dividend in respect of the previous financial year, approved and paid during the year, of 0.55 HK cents, equivalent to 0.05537 pence, per ordinary share (2019: 0.43 HK cents, equivalent to 0.04163 pence per ordinary share)	<u>212,447</u>	<u>159,726</u>

16. PLANT AND EQUIPMENT

	<i>Furniture and fixtures</i> £	<i>Computer equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
At 1 April 2018	49,195	81,964	65,577	196,736
Additions	117,324	14,533	-	131,857
Disposal	(174)	(549)	-	(723)
Foreign translation difference	<u>4,650</u>	<u>6,439</u>	<u>30,123</u>	<u>41,212</u>
At 31 March 2019	170,995	102,387	95,700	369,082
Additions	4,163	12,180	23,155	39,498
Disposal	-	-	(3,624)	(3,624)
Foreign translation difference	<u>11,811</u>	<u>7,408</u>	<u>7,207</u>	<u>26,426</u>
At 31 March 2020	<u>186,969</u>	<u>121,975</u>	<u>122,438</u>	<u>431,382</u>
Accumulated depreciation				
At 1 April 2018	28,776	68,242	45,756	142,774
Charge for the year	27,113	11,048	9,157	47,318
Disposal	(174)	(411)	-	(585)
Foreign translation difference	<u>2,419</u>	<u>5,354</u>	<u>28,656</u>	<u>36,429</u>
At 31 March 2019	58,134	84,233	83,569	225,936
Charge for the year	31,195	11,038	14,461	56,694
Disposal	-	-	(3,624)	(3,624)
Foreign translation difference	<u>5,049</u>	<u>6,129</u>	<u>6,077</u>	<u>17,255</u>
At 31 March 2020	<u>94,378</u>	<u>101,400</u>	<u>100,483</u>	<u>296,261</u>
Net book value				
At 31 March 2020	<u>92,591</u>	<u>20,575</u>	<u>21,955</u>	<u>135,121</u>
At 31 March 2019	<u>112,861</u>	<u>18,154</u>	<u>12,131</u>	<u>143,146</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

17. RIGHT-OF-USE ASSETS

	<i>Leasehold properties £</i>
Cost	
At 1 April 2019	280,492
Additions	157,254
Foreign translation difference	<u>24,593</u>
At 31 March 2020	<u>462,339</u>
Accumulated depreciation	
At 1 April 2019	-
Charge for the year	179,977
Foreign translation difference	<u>6,243</u>
At 31 March 2020	<u>186,220</u>
Net book value	
At 31 March 2020	<u>276,119</u>

On 1 April 2019, the Company recognised right-of-use assets of £280,492 newly capitalised under IFRS 16.

The Company has entered into lease agreements to obtain the right to use properties as its office premises and warehouse and as a result incurred lease liabilities (Note 25). The leases typically run for an initial period of 2 years.

18. DEPOSIT PLACED FOR A LIFE INSURANCE POLICY

In April 2019, the Company entered into a life insurance policy with an insurance company to insure Mr. Stephen Sin Mo KOO, a Director of the Company. Under the policy, the Company is the beneficiary and policy holder and the total insured sum is US\$2,500,000. The Company has paid an upfront deposit of US\$1,203,528. The Company can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal, which is determined by the upfront deposit payment of US\$1,203,528 plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge (“Cash Value”).

In addition, if withdrawal is made between the first to nineteenth policy year, as appropriate, a specified amount of surrender charge would be imposed.

The insurance company will pay the Company an interest of 4.25% per annum on the outstanding Cash Value for the first year. Commencing on the second year, the interest will be at least 2% guarantee interest per annum. The guarantee interest rate is also the effective interest rate for the deposit placed on initial recognition, determined by discounting the estimated future cash receipts through the expected life of the insurance policy, excluding the financial effect of surrender charge.

The deposit placed is carried at amortised cost using the effective interest method. The Directors considered that the possibility of terminating the policy during the first to nineteenth policy year was low and the expected life of the insurance policy remained unchanged since the initial recognition. Accordingly, the difference between the carrying amount of deposit placed for a life insurance policy as at 31 March 2020 and the Cash Value of the life insurance policy is insignificant.

At 31 March 2020, the life insurance policy has been pledged as security for banking facilities granted to the Company (Note 32).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

19. INVENTORIES

	<i>2020</i>	<i>2019</i>
	£	£
Raw materials	309,386	290,697
Finished goods	<u>724,903</u>	<u>351,678</u>
	<u>1,034,289</u>	<u>642,375</u>

No provision for obsolete inventories is recognised for the year (2019: £nil) on slow-moving inventories.

No inventories write-off (2019: £50,457) was recorded for the year.

20. TRADE AND OTHER RECEIVABLES

	<i>2020</i>	<i>2019</i>
	£	£
Trade receivables	634,931	858,592
Less: allowance for doubtful debts	<u>(66,024)</u>	<u>(61,806)</u>
Trade receivables, net	568,907	796,786
Other receivables	1,330,320	1,267,203
Deposits and prepayments	<u>507,636</u>	<u>210,278</u>
Total carrying amount	<u>2,406,863</u>	<u>2,274,267</u>

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

Trade receivables

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

	<i>2020</i>	<i>2019</i>
	£	£
At beginning of year	61,806	48,140
Provision for the year	-	9,872
Foreign translation difference	<u>4,218</u>	<u>3,794</u>
At end of year	<u>66,024</u>	<u>61,806</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (cont'd)

The ageing analysis of trade receivables, net at the end of the reporting period is as follows:

	2020 £	2019 £
0 to 90 days	470,672	717,632
91 to 365 days	88,190	77,980
Over 365 days	10,045	1,174
	<u>568,907</u>	<u>796,786</u>

The Company measures loss allowances for trade receivables at an amount equals to lifetime ECLs, which is calculated using a provision matrix. As the Company's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Company's different customer bases.

The following table provides information about the Company's exposure to credit risk and ECLs for trade receivables at the end of the reporting period:

	2020			2019		
	<i>Expected loss rate</i> %	<i>Gross carrying amount</i> £	<i>Loss allowance</i> £	<i>Expected loss rate</i> %	<i>Gross carrying amount</i> £	<i>Loss allowance</i> £
0 to 90 days	-	470,672	-	-	717,632	-
91 to 365 days	-	88,190	-	-	77,980	-
Over 365 days	87	76,069	66,024	98	62,980	61,806
		<u>634,931</u>	<u>66,024</u>		<u>858,592</u>	<u>61,806</u>

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the periods over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Other receivables

The amount of £406,007 (2019: £271,869) in other receivable is interest-free, repayable on demand and due from Mr. Stephen Sin Mo KOO, a Director of the Company.

No loss allowance was recognised in profit or loss during the years ended 31 March 2020 and 2019.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

21. CONTRACT ASSETS

	2020 £	2019 £
Supply, design and installation of closed circuit television and surveillance systems services	<u>6,243,276</u>	<u>3,576,824</u>

The contract assets primarily relate to the Company's right to consideration for work completed and not billed because the rights are conditioned on the Company's future performance in achieving specified milestones at the reporting date on the comprehensive architectural services. The contract assets are transferred to trade receivables when the rights become unconditional. The Company typically transfer contract assets to trade receivables upon achieving the specified milestones in the contracts.

There was no retention monies held by customers for contract works performed at the end of each reporting period. The Company classifies these contract assets as current because the Company expects to realise them in its normal operating cycle.

The Company makes specific provision for contract assets whose credit risk are considered significantly increased or identified as credit-impaired. For remaining balance of contract assets, the Company makes general provision based on ageing analysis and project status.

As at 31 March 2020, the gross amount of contract assets was £6,344,943 (2019: £3,671,998) and the provision of impairment was £101,667 (2019: £95,174).

The following table provides information about the Company's exposure to credit risk and ECLs for contract assets at the end of the reporting period:

	2020			2019		
	<i>Expected loss rate</i> %	<i>Gross carrying amount</i> £	<i>Loss allowance</i> £	<i>Expected loss rate</i> %	<i>Gross carrying amount</i> £	<i>Loss allowance</i> £
Within 3 years	-	6,243,276	-	-	3,576,824	-
Over 3 years	100	<u>101,667</u>	<u>101,667</u>	100	<u>95,174</u>	<u>95,174</u>
		<u>6,344,943</u>	<u>101,667</u>		<u>3,671,998</u>	<u>95,174</u>

No loss allowance was recognised in profit or loss during the years ended 31 March 2020 and 2019.

22. CASH AND BANK BALANCES

(a) Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	679,186	1,312,211
Deposits with banks	<u>301,052</u>	<u>437,845</u>
	<u>980,238</u>	1,750,056
Less: restricted cash	<u>(301,052)</u>	<u>(437,845)</u>
Cash and cash equivalents in the statement of cash flows	<u>679,186</u>	<u>1,312,211</u>

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

22. CASH AND BANK BALANCES (CONTINUED)

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

	<i>2020</i>	<i>2019</i>
	£	£
Hong Kong dollar	970,936	1,650,769
Renminbi	5,904	62,100
United States dollar	2,544	35,792
Others	854	1,395
	<u>980,038</u>	<u>1,749,956</u>

(c) Restricted cash

At 31 March 2020, bank balance of £301,052 (2019: £437,845) is restricted as bank deposits with maturities less than three months. Such restricted bank balances were held for the purpose of the issuance of performance bonds in respect of maintenance contracts undertaken by the Company.

The effective interest rate on bank deposits ranged from 0.2% to 2.7% (2019: 0.2% to 1.33%) per annum.

23. TRADE AND OTHER PAYABLES

	<i>2020</i>	<i>2019</i>
	£	£
<u>Current liabilities</u>		
Trade payables	1,206,558	103,756
Bills payable	1,272,863	1,102,173
Due to related parties (Note 29)	-	45,746
Accruals and other payables	1,345,338	1,269,447
	<u>3,824,759</u>	<u>2,521,122</u>
<u>Non-current liabilities</u>		
Due to a related company (Note 29)	437,500	409,556
	<u>437,500</u>	<u>409,556</u>
	<u>4,262,259</u>	<u>2,930,678</u>

Trade and other payables are expected to be repaid within one year, other than the amount due to a related company.

Bills payable carry interest at annual rate at the Hong Kong Best Lending Rate and are repayable within 90 days.

24. CONTRACT LIABILITIES

	<i>2020</i>	<i>2019</i>
	£	£
Supply, design and installation of closed circuit television and surveillance systems services	1,316,446	956,616
	<u>1,316,446</u>	<u>956,616</u>

Contract liabilities represent the Company's obligation to transfer performance obligation to customers for which the Group has received considerations from the customers.

Revenue recognised during the year ended 31 March 2020 that was included in the contract liabilities at the beginning of the year was amounted to £956,616 (2019: £1,429,172).

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

25. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the reporting period and the date of transition to IFRS 16.

	<i>Present value of minimum lease payments</i>		<i>Minimum lease payments</i>	
	<i>31 March 2020</i>	<i>1 April 2019</i>	<i>31 March 2020</i>	<i>1 April 2019</i>
	£	£	£	£
Within one year	213,288	157,201	222,031	167,918
In the second to fifth year	70,877	123,291	72,444	125,939
	284,165	280,492	294,475	293,857
Less: Future finance charges			(10,310)	(13,365)
Present value of lease obligation			284,165	280,492

The Company has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17.

26. BANK BORROWINGS

	<i>2020</i>	<i>2019</i>
	£	£
Revolving loans	682,486	-

The loans are denominated in Hong Kong dollar and carry interest at annual rate at 1.5% over Hong Kong Interbank Offered Rate.

Details of securities are disclosed in note 32 to the financial statements.

27. SHARE CAPITAL

	<i>2020</i>	<i>2019</i>
	£	£
Issued and fully paid: 383,677,323 ordinary shares of HK\$55,033,572, translated at historical rate	3,890,257	3,890,257

The Company has one class of ordinary shares which has no par value.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

28. 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 Company 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.

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

29. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of the key management personnel of the Company during the year was as follows:

	2020	2019
	£	£
Salaries, bonus and allowances	<u>560,115</u>	<u>414,908</u>

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

Executive Directors include the Executive Chairman, Chief Executive Officer 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 Company and market trends. Further information about the Remuneration Committee and the Directors’ remuneration is provided in the Remuneration Report and the Report on Corporate Governance to the Annual Report and note 11 to the financial statements.

Key executives include the Director of Operations, Software Development Manager and Sales Manager 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 2020, there are balances of £406,007 (2019: £271,869) and £Nil (2019: £45,746) due from and due to Mr. Stephen Sin Mo KOO respectively, a Director of the Company, which are unsecured, interest-free and repayable on demand (Notes 20 and 23).
- (b) At 31 March 2020, there is a payable balance of £437,500 (2019: £409,556) due to a shareholder, Univision Holdings Limited, which is unsecured, interest-free and repayable after 12 months (Note 23).
- (c) At 31 March 2020, there are receivable balances of £3,157,799 (2019: £3,322,882) due from related companies controlled by common shareholders of the Company, which are guaranteed by a shareholder of the Company, interest-free and repayable in September 2021.

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

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

30. CASH FLOWS FROM LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows arising from financing activities.

	<i>Amount due to a related company</i> £	<i>Bank borrowings</i> £	<i>Lease liabilities</i> £	<i>Total</i> £
At 1 April 2018	108,617	-	-	108,617
<i>Financing cash flows:</i>				
Advances from a related company	290,444	-	-	290,444
<i>Other changes:</i>				
Foreign translation difference	10,495	-	-	10,495
At 31 March 2019	409,556	-	-	409,556
Impact of initial application of IFRS 16 (Note 3(c))	-	-	280,492	280,492
At 1 April 2019	409,556	-	280,492	690,048
<i>Financing cash flows:</i>				
New bank loans	-	659,606	-	659,606
Interest paid	-	(21,205)	-	(21,205)
Capital element of lease liabilities paid	-	-	(172,201)	(172,201)
Interest element of lease liabilities paid	-	-	(12,537)	(12,537)
<i>Other changes:</i>				
New leases	-	-	157,254	157,254
Interest on lease liabilities	-	-	12,537	12,537
Interest expense on bank borrowings	-	21,205	-	21,205
Foreign translation difference	27,944	22,880	18,620	69,444
At 31 March 2020	437,500	682,486	284,165	1,404,151

Amounts included in the statement of cash flows for cash outflows for leases comprise the following:

	<i>2020</i> £	<i>2019</i> £
Within:		
Operating cash flows	54,411	187,090
Financing cash flows	184,738	-
	239,149	187,090

These amounts relate to the following:

	<i>2020</i> £	<i>2019</i> £
Lease rentals paid	239,149	187,090

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

31. COMMITMENTS

(a) Capital commitments

At 31 March 2020, the Company did not have any material outstanding capital commitments.

(b) Operating lease commitments

At 31 March 2019, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	£
Within one year	211,546
Between two to five years	125,939
	337,485

The Company is the lessee in respect of its office and warehouse premises held under leases for a term of 1 to 2 years with fixed monthly rentals, which were previously classified as operating leases under IAS 17. The Company has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Company adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to these leases (Note 3(c)). From 1 April 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 4.10 to the financial statements, and the details regarding the Company's future lease payments are disclosed in note 25 to the financial statements.

32. BANKING FACILITIES

At 31 March 2020, the banking facilities of the Company were as follows:

- (a) The revolving trade financing facilities amounted to £2,187,500 (equivalent to HK\$21,000,000) and carried annual interest at the Hong Kong Dollars Best Lending Rate with a repayment term of 90 days. The facilities are subject to the fulfilment of certain covenants relating to the Company's net worth and the loans to its related parties. If the Company is in breach of the covenants, the facilities would become payable on demand. At 31 March 2020, the facilities were utilised to the extent of £1,272,863 (2019 : £1,102,173).
- (b) The revolving term facilities amounted to £2,604,167 (equivalent to HK\$25,000,000) were secured by floating charges over the bills receivable from the Company's major customer. At 31 March 2020, no facilities were utilised.
- (c) The revolving loans facilities amounted to £682,486 (equivalent to HK\$6,551,867) were secured by the life insurance policy of the Company (Note 18). At 31 March 2020, these facilities were fully utilised.
- (d) The bonding line facilities amounted to £2,083,333 (equivalent to HK\$20,000,000) were secured by a charge over deposits limited to £625,000 (equivalent to HK\$6,000,000) granted by the Company. At 31 March 2020, no facilities were utilised.
- (e) The banking facilities for issuance of letter of credit and guarantee amounted to £301,052 (equivalent to HK\$2,890,100) were secured by a charge over a fixed deposit of £301,052 (equivalent to HK\$2,890,100) granted by the Company. At 31 March 2020, no facilities were utilised.

The Company regularly monitors its compliance with these covenants. Further details of the Company's management of liquidity risk are set out in note 6(b)(iii) to the financial statements.

UNIVISION ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

33. MAJOR NON-CASH TRANSACTION

During the year, the final dividend for the year ended 31 March 2019 payable to the shareholder, Mr. Stephen Sin Mo KOO, of £145,338 was set-off against with other receivables.

34. EVENTS AFTER THE REPORTING PERIOD

On 21 August 2020, the Board of Directors proposed a final dividend for the year ended 31 March 2020. Further details are disclosed in note 15(i) to the financial statements.

In mid of April 2020, HSBC has increased the Company's trade facilities from HK\$21m to HK\$26m.

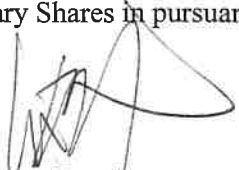
On 7 April 2020 and 16 June 2020, a charge over a fixed deposit of HK\$2,890,100 placed at Bank of China (Hong Kong) Limited and a charge over deposits limited to HK\$6,000,000 placed at HSBC were released respectively.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2020 Annual General Meeting (AGM) of UniVision Engineering Limited will be held at UniVision Engineering Limited, Unit 201, 2/F., Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, on 30 September 2020 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 2020 together with the Directors' Report and the Independent Auditor's Report;
2. To declare a final dividend for the financial year ended 31 March 2020;
3. To re-elect Mr. Peter Yip Tak CHAN who retired by rotation, as a Director of the Company;
4. To re-elect Mr. Nicholas James LYTH who retired by rotation, as a Non-Executive Director of the Company;
5. To re-elect Mr. Ivor Colin SHRAGO who retired by rotation, as a Non-Executive Director of the Company;
6. To reappoint auditor PKF Hong Kong 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 authorise the Directors to adjust their remuneration packages;
7. That the directors of the Company be and are hereby generally and unconditionally authorised 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 authorised to exercise all powers of the Company to repurchase the 'Ordinary Shares' in the capital of the Company, including any form of depositary receipt. Such authority (unless and to the extent previously revoked, varied or renewed by the Company during the general meeting) to expire 15 months after the date of the passing of such resolution or on the conclusion of the Company's next AGM to be held, following the date of passing such resolution, whichever occurs first, save that the Company may before such expiry make any offer or agreement which would or might require Ordinary Shares to be repurchased after such expiry, and that the Directors may buy back Ordinary Shares in pursuance of such an offer or an agreement as if such authority had not expired.



By Order of the Board
Mr. Stephen Sin Mo KOO
Executive Chairman

4 September 2020

Registered office:
Unit 201, 2/F Sunbeam Centre,
27 Shing Yip Street
Kwun Tong, Kowloon,
Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING

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 28 September 2020 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.

