

SIM BUILDING GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 APRIL 2019

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SIM BUILDING GROUP LIMITED

COMPANY INFORMATION

Directors	Martin H Sim John C Greig Michael V Thewlis
Company secretary	Martin H Sim
Registered number	SC129108
Registered office	1 Roman Road Kirkintilloch Glasgow G66 1DY
Trading Address	1 Roman Road Kirkintilloch Glasgow G66 1DY
Bankers	Royal Bank of Scotland 116 Cowgate Kirkintilloch Glasgow G66 1JX
Solicitors	Harper Macleod LLP 45 Gordon Street Glasgow G1 3PE

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SIM BUILDING GROUP LIMITED

**BALANCE SHEET
AS AT 30 APRIL 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	67,279	47,900
		<u>67,279</u>	<u>47,900</u>
Current assets			
Debtors: amounts falling due within one year	6	1,242,075	833,125
Cash at bank and in hand	7	167,262	505,477
		<u>1,409,337</u>	<u>1,338,602</u>
Creditors: amounts falling due within one year	8	(790,575)	(607,237)
Net current assets		<u>618,762</u>	<u>731,365</u>
Total assets less current liabilities		<u>686,041</u>	<u>779,265</u>
Provisions for liabilities			
Deferred tax		(3,161)	(1,180)
Other provisions	9	(46,166)	(67,977)
		<u>(49,327)</u>	<u>(69,157)</u>
Net assets		<u><u>636,714</u></u>	<u><u>710,108</u></u>
Capital and reserves			
Called up share capital	10	25,000	25,000
Profit and loss account		611,714	685,108
		<u><u>636,714</u></u>	<u><u>710,108</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

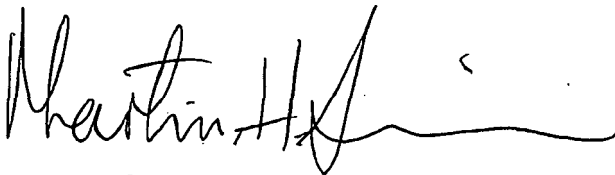
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2020.



Martin H Sim
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

1. General information

The Company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is 1 Roman Road, Kirkintilloch, Glasgow, G66 1DY.

The Company's principal activity is building contracting.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

2.3 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.4 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 years
Motor vehicles	- 3 - 4 years
Fixtures and fittings	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments and estimates have had the most significant effect on amounts recognised in the financial statements:

Long term contracts

The assessment of long term contracts requires estimates to be made of the margin expected to be achieved. Management base this assessment on detailed costings and progress reports and their experience of similar contracts in the past. Adjustments are made to reflect any after date events which have a significant impact on the final margins expected to be achieved.

Provisions

Provisions are recognised when the Company has an obligation, as a result of a past event, that can be measured reliably and where the outcome is less than probable, but more than remote, no provision is recorded but a contingent liability is disclosed in the financial statements if material. The recording of provisions is an area which requires management to exercise judgment relating to the nature, timing and probability of the liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

4. Employees

The average monthly number of employees, including directors, during the year was 21 (2018 - 23).

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 May 2018	7,939	61,601	777	70,317
Additions	5,998	45,740	1,014	52,752
Disposals	-	-	-	-
At 30 April 2019	<u>13,937</u>	<u>107,341</u>	<u>1,791</u>	<u>123,069</u>
Depreciation				
At 1 May 2018	2,805	19,306	306	22,417
Charge for the year	4,479	28,447	447	33,373
Eliminated on disposal	-	-	-	-
At 30 April 2019	<u>7,284</u>	<u>47,753</u>	<u>753</u>	<u>55,790</u>
Net book value				
At 30 April 2019	<u><u>6,653</u></u>	<u><u>59,588</u></u>	<u><u>1,038</u></u>	<u><u>67,279</u></u>
At 30 April 2018	<u><u>5,134</u></u>	<u><u>42,295</u></u>	<u><u>471</u></u>	<u><u>47,900</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

6. Debtors

	2019 £	2018 £
Trade debtors	179,734	349,114
Amounts owed by group undertakings	551,916	395,467
Prepayments and accrued income	85,507	45,691
Amounts recoverable on long term contracts	424,918	42,853
	<u>1,242,075</u>	<u>833,125</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	167,262	505,477
	<u>167,262</u>	<u>505,477</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	678,603	324,834
Amounts owed to group undertakings	4	4
Corporation tax	-	166,803
Other taxation and social security	25,594	28,893
Accruals and deferred income	86,374	86,703
	<u>790,575</u>	<u>607,237</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

9. Provisions

	Provision for Remedial Works £
At 1 May 2018	67,977
Released during the year	(21,811)
At 30 April 2019	<u>46,166</u>

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
25,000 (2018 - 25,000) Ordinary shares of £1.00 each	<u>25,000</u>	<u>25,000</u>

11. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £21,970 (2018 - £19,512). Contributions totalling £2,385 (2018 - £1,505) were payable to the fund at the balance sheet date.

12. Commitments under operating leases

At 30 April 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	18,500	18,500
	<u>18,500</u>	<u>18,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

13. Related party transactions

During the year the group paid rent of £18,500 (2018 - £18,500) to a Small Self-Administered Pension Scheme, held for the benefit of Martin Sim.

14. Controlling party

Sim (Group Holdings) Limited is the Company's ultimate parent undertaking. Its registered office is 1 Roman Road, Kirkintilloch, Glasgow, G66 1DY.

The ultimate controlling party is Martin Sim by virtue of his interests in the share capital of the ultimate parent company.