

**Company Registration No. 03134171 (England and Wales)**

**SIMTEX INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

WEDNESDAY



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# **SIMTEX INTERNATIONAL LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr N K G Prescot Mr L Coppola Mr D L Akers-Douglas
<b>Secretary</b>	Mr J E Lancaster
<b>Company number</b>	03134171
<b>Registered office</b>	4 West Links The Business Village Tollgate Chandlers Ford Hampshire SO53 3TG
<b>Auditor</b>	Moore Stephens (South) LLP Priory House Pilgrims Court Sydenham Road Guildford Surrey GU1 3RX

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# **SIMTEX INTERNATIONAL LIMITED**

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# **SIMTEX INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### **Principal activities and business review**

The principal activity of the company in the year was that of transportation and handling of hazardous goods.

During the year, the company's main focus continued to be on maximising the potential from both existing and new revenue streams. The results for the year and financial position of the company are shown on page 6 and page 7 respectively. The directors are pleased with the results for the year and ongoing strength of the company's financial key performance indicators (see below).

The company recorded turnover for the year of £5.1m (2017 - £4.5m) and a profit before tax of £0.7m (2017 - £0.4m).

#### **Principal risks and uncertainties**

The Board sets the long-term strategy and goals for the company. The management of the business and execution of the company's strategy are subject to a number of risks. The key risk for this business has been assessed to be economic trading conditions.

#### **Key performance indicators**

The company undertakes comprehensive business planning to define long and short-term objectives and goals. Business performance is measured by a number of financial and non-financial Key Performance Indicators (KPIs) which include monitoring of actual results against budget by the Board on a monthly basis.

The financial KPIs are:

	2018	2017
Turnover (£000)	5,057	4,505
Operating margin (%)	12.8	9.1

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N K G Prescot  
Mr L Coppola  
Mr D L Akers-Douglas

#### **Dividends**

Dividends of £400,000 were paid during the year (2017 - £750,000).

The directors do not recommend payment of a final dividend.

#### **Directors' insurance**

Certain directors benefited from Directors and Officers Liability insurance in place during the financial year.

#### **Political and charitable contributions**

The company made no political or charitable donations or incurred any political expenditure during the current or previous year.

# **SIMTEX INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Financial instruments**

The company's financial instruments principally comprise cash, share capital, and various items that arise directly from its operations (such as trade debtors, trade creditors, etc). The main purpose of these financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and they are summarised below. These policies have remained unchanged throughout the year.

### **Liquidity risk**

As regards to liquidity, at 31 December 2018 the company had cash at bank and in hand of £943,194 (2017 - £1,025,202). The continued profitability of the company during the year has further improved the company's liquidity position and, together with the existing cash reserves, is expected to be sufficient to fund the company's future working capital needs.

### **Employees**

The company gives full consideration to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled persons wherever appropriate. During the year the policy of providing employees with information about the company has been continued through internal media methods and holding regular meetings to review the company's performance.

### **Auditor**

The auditor, Moore Stephens (South) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
Mr L Coppola

Director

Date: .....

17th August 2019

# **SIMTEX INTERNATIONAL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 UK 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **SIMTEX INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SIMTEX INTERNATIONAL LIMITED**

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#### **Opinion**

We have audited the financial statements of Simtex International Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **SIMTEX INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SIMTEX INTERNATIONAL LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

#### **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 (UK) 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.

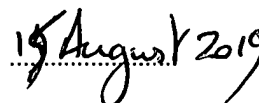
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Christopher Godwin (Senior Statutory Auditor)**  
for and on behalf of Moore Stephens (South) LLP

**Chartered Accountants**  
**Statutory Auditor**

  
15 August 2019

Priory House  
Pilgrims Court  
Sydenham Road  
Guildford  
Surrey  
GU1 3RX



# **SIMTEX INTERNATIONAL LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Turnover</b>	<b>3</b>	<b>5,057,485</b>	<b>4,505,204</b>
Cost of sales		(3,685,453)	(3,300,582)
<b>Gross profit</b>		<b>1,372,032</b>	<b>1,204,622</b>
Administrative expenses		(723,223)	(794,882)
<b>Operating profit</b>	<b>4</b>	<b>648,809</b>	<b>409,740</b>
Interest receivable and similar income	<b>7</b>	6,351	2,657
<b>Profit before taxation</b>		<b>655,160</b>	<b>412,397</b>
Tax on profit	<b>8</b>	(131,225)	(51,820)
<b>Profit for the financial year</b>		<b>523,935</b>	<b>360,577</b>

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The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# SIMTEX INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10		4,034		-
<b>Current assets</b>					
Debtors	11	1,095,521		760,374	
Cash at bank and in hand		943,194		1,025,202	
		<u>2,038,715</u>		<u>1,785,576</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,201,739)</u>		<u>(1,068,501)</u>	
<b>Net current assets</b>			836,976		717,075
<b>Total assets less current liabilities</b>			<u>841,010</u>		<u>717,075</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,000		1,000
Profit and loss reserves			840,010		716,075
<b>Total equity</b>			<u>841,010</u>		<u>717,075</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 8 AUGUST 2019 and are signed on its behalf by:

  
Mr L Coppola  
Director

Company Registration No. 03134171

# **SIMTEX INTERNATIONAL LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2017</b>		1,000	1,105,498	1,106,498
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	360,577	360,577
Dividends	9	-	(750,000)	(750,000)
<b>Balance at 31 December 2017</b>		1,000	716,075	717,075
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	523,935	523,935
Dividends	9	-	(400,000)	(400,000)
<b>Balance at 31 December 2018</b>		1,000	840,010	841,010

# **SIMTEX INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

##### **Company information**

Simtex International Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 West Links, The Business Village, Tollgate, Chandlers Ford, Hampshire, SO53 3TG.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Constantine Group Limited. These consolidated financial statements are available to the public and may be obtained from Companies House.

As 100% of the company's voting rights are controlled within the group headed by Constantine Group Limited, the company has taken advantage of the exemption contained in FRS 102.33 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

##### **1.2 Going concern**

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have sufficient level of financial resources available through current cash resources. The company has a strong cash balance of £943,194 at the year end (2017 - £1,025,202), and has net assets of £814,010 (2017 - £717,075). The directors therefore believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is measured at the fair value of the consideration received in the normal course of business net of discounts and VAT where applicable. Turnover from freight, packing, handling, transportation and storage services is recognised when the service has been provided.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	3 years straight-line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged the income statement.

#### 1.5 Financial Instruments

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets not meeting the definition of Basic Financial instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the income statement. Debt instruments may be designated as being measured at fair value the income statement to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.7 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the income statement in the period in which it arises.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### **1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.9 Retirement benefits**

The company participates in a defined contribution retirement pension scheme. A defined contribution pension plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

# **SIMTEX INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

**(Continued)**

##### **1.10 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **1.11 Foreign exchange**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

##### **1.12 Classification of financial instruments issued by the company**

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in the financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividend policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

##### **1.13 Dividends on shares presented within shareholders' funds**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.



# **SIMTEX INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which are significant to the carrying amount of assets and liabilities are as follows.

#### ***Deferred tax assets***

The directors consider there to be estimation uncertainty surrounding the recoverability of deferred tax assets, calculated at £34k (2017 - £36k). Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income in the respective tax type and jurisdiction, taking into account any legal restrictions on the length of the loss carry-forward period. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans, loss carry-forward periods, and tax planning strategies.

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Analysis of turnover

	2018 £	2017 £
<b>Geographical destination</b>		
United Kingdom	1,880,997	833,012
Overseas	3,176,488	3,672,192
	<u>5,057,485</u>	<u>4,505,204</u>

All turnover arises from services provided.

#### 4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Exchange losses	4,611	35,692
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,815
Depreciation of owned tangible fixed assets	2,086	-
	<u>15,707</u>	<u>44,507</u>

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Directors	3	3
Operations and administration	6	6
	<u>9</u>	<u>9</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	450,134	452,404
Social security costs	54,423	38,037
Pension costs	12,963	25,190
	<u>517,520</u>	<u>515,631</u>

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	195,579	172,768
Company pension contributions to defined contribution schemes	8,269	14,315
	<u>203,848</u>	<u>187,083</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

The remaining directors received no directors remuneration for their services to the company. The company paid a management fee of £50,000 (2017 - £50,000) to compensate for the services of the directors. The emoluments of the directors have been borne by the parent company, Constantine Group Limited.

### 7 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	<u>6,351</u>	<u>2,657</u>

### 8 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	129,559	-
Group tax relief	<u>-</u>	<u>75,594</u>
Total current tax	<u>129,559</u>	<u>75,594</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,666	(20,850)
Changes in tax rates	<u>-</u>	<u>(2,924)</u>
Total deferred tax	<u>1,666</u>	<u>(23,774)</u>
Total tax charge	<u>131,225</u>	<u>51,820</u>

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	655,160	412,397
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	124,480	79,386
Tax effect of expenses that are not deductible in determining taxable profit	5,289	11,999
Adjustments in respect of prior years	-	(39,396)
Permanent capital allowances in excess of depreciation	(210)	-
Deferred tax adjustments in respect of prior years	1,666	(2,924)
Reduction in tax rate on deferred tax balances	-	2,755
Taxation charge for the year	131,225	51,820

#### 9 Dividends

	2018 £	2017 £
Interim paid	400,000	750,000

#### 10 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 January 2018	-
Additions	6,120
At 31 December 2018	6,120
<b>Depreciation and impairment</b>	
At 1 January 2018	-
Depreciation charged in the year	2,086
At 31 December 2018	2,086
<b>Carrying amount</b>	
At 31 December 2018	4,034
At 31 December 2017	-

# SIMTEX INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,050,497	689,184
Other debtors	11,099	35,599
	<u>1,061,596</u>	<u>724,783</u>
Deferred tax asset (note 13)	33,925	35,591
	<u>1,095,521</u>	<u>760,374</u>

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	307,385	238,705
Amounts owed to group undertakings	252,038	15,716
Corporation tax	129,559	163,451
Other taxation and social security	22,282	82,569
Other creditors	7,640	-
Accruals and deferred income	482,835	568,060
	<u>1,201,739</u>	<u>1,068,501</u>

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2018 £	Assets 2017 £
<b>Balances:</b>		
Accelerated capital allowances	187	-
Other short-term timing differences	33,738	35,591
	<u>33,925</u>	<u>35,591</u>
<b>Movements in the year:</b>		2018 £
Liability/(Asset) at 1 January 2018		(35,591)
Charge to profit or loss		1,666
Liability/(Asset) at 31 December 2018		<u>(33,925)</u>

# **SIMTEX INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **14 Retirement benefit schemes**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>12,963</u>	<u>25,190</u>

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### **15 Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### **16 Ultimate controlling party**

The company is a subsidiary undertaking of Constantine Group Limited, a company incorporated in Great Britain and registered at First Floor River Court The Old Mill Office Park, Mill Lane, Godalming, Surrey, GU7 1EZ. Constantine Group Limited is the company's ultimate and immediate controlling party.

The only group in which the results of the company are consolidated is that headed by Constantine Group Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House.