

# **Ying Tai (UK) Limited**

## **Directors' Report and financial statements**

**Registered number 04090694**

**For the year ended 30 April 2015**

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## Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2015.

### Principal activity

The principal activity of the Company is that of a holding company.

### Business review

The Company has invested £3,112,000 in SRS (Qingdao) Casting Materials Co Limited in Northern China with the purpose of better servicing our industrial casting customer base. To finance this, the Company has received a loan from Goodwin PLC of £2,535,000 and dividends of £623,973 received from its subsidiary.

The results for the year are summarised as follows:

	2015 £	2014 £
Profit on ordinary activities before taxation	623,973	-
Tax on profit on ordinary activities	(62,404)	-
Profit on ordinary activities after taxation	<u>561,569</u>	<u>-</u>

### Dividend

The Company has not paid an interim dividend during the year (2014: £Nil). The Directors do not recommend the payment of a final dividend (2014: £Nil).

### Directors

The Directors serving during the period are set out below.

JW Goodwin  
RS Goodwin  
SR Goodwin  
P Hongsrichinda  
K Supavanichayanon  
S Supavanichayanon

### Directors' interests

	Number of 'B' ordinary shares of \$1 2015	2014
P Hongsrichinda	91,875	91,875
K Supavanichayanon	91,875	91,875
	<u>          </u>	<u>          </u>
	Number of deferred ordinary shares of £1 2015	2014
P Hongsrichinda	1	1
K Supavanichayanon	1	1
	<u>          </u>	<u>          </u>

## **Directors' Report** (continued)

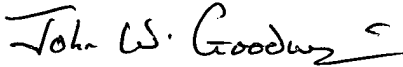
### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the board of Directors and signed on its behalf by:



**JW Goodwin**  
*Chairman*

Ivy House Foundry  
Hanley  
Stoke-on-Trent  
ST1 3NR  
30<sup>th</sup> November 2015

## **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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; and
- 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

## **Independent auditor's report to the members of Ying Tai (UK) Limited**

We have audited the financial statements of Ying Tai (UK) Limited for the year ended 30 April 2015 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Ying Tai (UK) Limited (*continued*)**

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

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; or
- the Directors were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Simon Purkess (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

20<sup>th</sup> January 2016

**Profit and loss account**  
*for the year ended 30 April 2015*

	<i>Note</i>	<b>2015</b> £	2014 £
Income from subsidiaries	<i>10</i>	<b>623,973</b>	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>Profit/result on ordinary activities before taxation</b>	<i>2</i>	<b>623,973</b>	-
Tax on profit/result on ordinary activities	<i>4</i>	<b>(62,404)</b>	-
		<hr/>	<hr/>
<b>Profit/result for the financial year</b>	<i>8</i>	<b>561,569</b>	-
		<hr/> <hr/>	<hr/> <hr/>

The profit/result for the year arises from continuing operations.

The Company has no recognised gains or losses in either the current or preceding year other than the profit/result for the year.

The notes on pages 9 to 12 form an integral part of these financial statements.

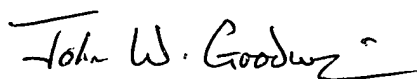


**Balance sheet**  
*at 30 April 2015*

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Investments	5		3,359,482		247,482
<b>Debtor – corporation tax</b>		-		7	
<b>Cash at bank and in hand</b>		827		16,251	
<b>Creditors: amounts falling due within one year</b>	6	(2,535,003)		(3)	
<b>Net current (liabilities) / assets</b>			(2,534,176)		16,255
<b>Net assets</b>			825,306		263,737
<b>Capital and reserves</b>					
Called up share capital	7		263,158		263,158
Profit and loss account	8		562,148		579
<b>Shareholders' funds</b>	9		825,306		263,737

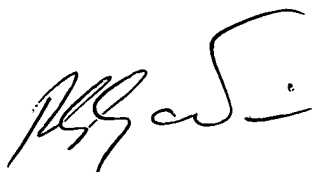
A reconciliation of movements in shareholders' funds is given in note 9 to the financial statements. The notes on pages 9 to 12 form an integral part of these financial statements.

These financial statements were approved by the board of Directors on 30<sup>th</sup> November 2015 and signed on its behalf by:



**JW Goodwin**  
Chairman

**RS Goodwin**  
Director



Company registered number: 04090694

**Cash flow statement**  
*for the year ended 30 April 2015*

	<i>Note</i>	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
<b>Net cash from operating activities</b>			
Income from subsidiaries		623,973	-
Tax on income from subsidiaries		(62,397)	-
		<hr/>	<hr/>
<b>Cash inflow before financing</b>		<b>561,576</b>	-
		<hr/>	<hr/>
<b>Financing</b>			
Loan from ultimate holding company	<i>10</i>	2,750,000	-
Repayment of loan from ultimate holding company	<i>10</i>	(215,000)	-
		<hr/>	<hr/>
<b>Total financing</b>		<b>2,535,000</b>	-
		<hr/>	<hr/>
<b>Investment</b>	<i>10</i>	<b>(3,112,000)</b>	-
		<hr/>	<hr/>
<b>Decrease in cash in the year</b>		<b>(15,424)</b>	-
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Movement in net funds in the year</b>		<b>(15,424)</b>	-
Net funds at start of year		<b>16,251</b>	16,251
		<hr/>	<hr/>
<b>Net funds at end of year</b>		<b>827</b>	16,251
		<hr/>	<hr/>

The notes on pages 9 to 12 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of accounting*

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards.

The Company is a 51% owned subsidiary undertaking of Goodwin PLC and the results of the Company and its subsidiary undertaking are included in the consolidated financial statements of that Company. The Company is exempt from the requirement to prepare consolidated financial statements under Section 400 1(b) of the Companies Act 2006.

#### *Going concern*

Although the Company has net current liabilities of £2,534,176 (2014: net current assets of £16,255), after making enquiries into the future trading forecasts and cash requirements, the Directors have formed a judgement at the time of approving the financial statements that the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the Directors' Report and financial statements.

#### *Foreign exchange*

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date.

#### *Taxation*

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

#### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, 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's 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 these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### Investments

Investments held in fixed assets are stated at cost less provision for impairment. Income from shares in group undertakings is accounted for on a receivable basis.

### 2 Profit/result on ordinary activities before taxation

Amounts receivable by the Company's auditor in respect of the services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidation financial statements of the Company's parent. The audit fee for these financial statements is borne by the Company's parent.

### 3 Staff numbers and costs

The Company has no employees (2014: none).

No director received any emoluments during the period in respect of their services to the Company (2014: £Nil).

### 4 Tax on profit/result on ordinary activities

#### Analysis of charge in the year

	2015 £	2014 £
<i>UK corporation tax</i>		
Current tax on income for the year	62,397	-
Adjustment in respect of prior years	7	-
	<hr/>	<hr/>
Tax on profit/result on ordinary activities	62,404	-
	<hr/>	<hr/>

#### Factors affecting the tax credit for the current period

The current tax credit for the period is lower (2014: equal to) the standard rate of corporation tax in the UK at 20.92% (calculated on a weighted average of the standard rate of UK corporation tax applicable throughout the period) (2014: 22.84%).

	2015 £	2014 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	623,973	-
	<hr/>	<hr/>
Current tax at 20.92% (2014: 22.84%)	130,535	-
	<hr/>	<hr/>
<i>Effects of</i>		
Income from shares in group undertakings	(68,138)	-
Prior year adjustment	7	-
	<hr/>	<hr/>
	62,404	-
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## Notes (continued)

### 5 Investments

	Subsidiary undertakings £
<i>Cost</i>	
At beginning of year	247,482
Addition	3,112,000
	<hr/>
At end of year	3,359,482
	<hr/>
<i>Net book value</i>	
At 30 April 2015	3,359,482
	<hr/>
At 30 April 2014	247,482
	<hr/>

The investment represents £247,482 for 100% of the issued share capital of SRS (Guangzhou) Plaster Limited, and £3,112,000 for 100% of the issued share capital of SRS (Qingdao) Casting Materials Co Limited, companies incorporated in China. The companies' principal activities are that of manufacturers and merchants of refractory products.

### 6 Creditors: Amounts falling due within one year

	2015 £	2014 £
Amount owed to Parent Company	2,535,000	-
Amount owed to fellow group undertakings	3	3
	<hr/>	<hr/>
	2,535,003	3
	<hr/>	<hr/>

### 7 Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid:</i>		
191,250 'A' ordinary shares of \$1 each	134,209	134,209
183,750 'B' ordinary shares of \$1 each	128,945	128,945
4 deferred ordinary shares of £1 each	4	4
	<hr/>	<hr/>
	263,158	263,158
	<hr/>	<hr/>

The A shares and the B shares rank *pari passu* in all respects but constitute separate classes of shares.

The holders of the deferred shares have no rights as such to receive notice of or attend or vote at any general meeting of the Company, and have no rights to a dividend or to any return of capital on winding up which exceeds £1 per deferred share.

## Notes (continued)

### 8 Reserves

	Profit and loss account £
At beginning of year	579
Profit for the financial year	561,569
	<hr/>
<b>At end of year</b>	<b>562,148</b>
	<hr/>

### 9 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	561,569	-
Dividends	-	-
	<hr/>	<hr/>
<b>Net reduction in shareholders' funds</b>	<b>561,569</b>	<b>-</b>
Opening shareholders' funds	263,737	263,737
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>825,306</b>	<b>263,737</b>
	<hr/>	<hr/>

### 10 Related party transactions

In accordance with financial reporting standard 8, related party transactions are below.

The Company is 51% owed by Goodwin PLC and is included in the consolidated financial statements of Goodwin PLC. At 30 April 2015 the Company owed £2,535,000 to Goodwin PLC and £3 to Goodwin Refractory Services Limited which is 100% owned by Goodwin PLC. At 30 April 2015 and at 30 April 2014, the Company had an investment of 100% of the issued share capital of SRS (Guangzhou) Plaster Limited. At 30 April 2015 the Company had an investment of £3,112,000 in SRS (Qingdao) Casting Materials Co Limited.

During the year ended 30 April 2015, the Company was lent £2,750,000 by Goodwin PLC and repaid £215,000 to Goodwin PLC; the Company received a dividend of £623,973 from SRS (Guangzhou) Plaster Limited; and the Company invested £3,112,000 in SRS (Qingdao) Casting Materials Co Limited.

The Company had no transactions with Goodwin PLC or with SRS (Guangzhou) Plaster Limited or with any of the other subsidiaries of Goodwin PLC during the year ended 30 April 2014.

### 11 Ultimate parent undertaking

Goodwin PLC, a Company incorporated in England and Wales, is the ultimate holding Company.

Copies of the Group financial statements are available from Goodwin PLC, Ivy House Foundry, Hanley, Stoke on Trent, ST1 3NR.