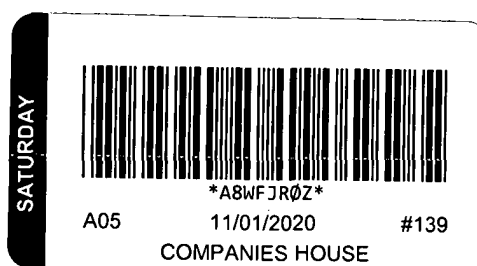


# Ying Tai (UK) Limited

Annual Report and Financial Statements

Registered number 04090694

30 April 2019



## **Contents**

Directors' Report	1
Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent Auditor's Report to the Members of Ying Tai (UK) Limited	3
Profit and Loss Account and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes	8

## Directors' Report

### Principal activity

The principal activity of the Company is a holding company of refractory engineering subsidiaries.

### Business review

The loss before taxation of £68,008 (2018: profit of £657,627) arises from dividends received from the Company's subsidiaries, less interest payable on the long term loan from Goodwin PLC.

On 26 April 2019, Goodwin Refractory Services Holdings Ltd purchased the entirety of the Ying Tai shareholding of Mr. P Hongsrichinda. On the same date, Mr P Hongsrichinda resigned as a director of the Company. As part of the purchase agreement Mr Hongsrichinda repaid £535,000 of the Ying Tai loan owed to Goodwin PLC and this has been treated in the accounts as a capital contribution

### Brexit

Brexit is not seen as a significant issue to the Company; our investments have negligible direct trade interaction with Europe. Nonetheless, the Directors continually monitor and assess the potential risks of Brexit, by regularly consulting on the matter with the Company's management, supplier and customers, and reviewing and considering the diverse opinions, written by many commentators, be they either for or against Brexit.

### Proposed dividend

During the year, the Company paid an interim dividend of £Nil (2018: £Nil). The Directors do not recommend the payment of a final dividend (2018: £Nil).

### Directors

The Directors who held office during the year were as follows:

J.W. Goodwin	(Chairman)
R.S. Goodwin	
S.R. Goodwin	
K. Supavanichayanon	
S. Supavanichayanon	
P. Hongsrichinda	(resigned 26 April 2019)

### Political contributions

The Company made no political donations nor incurred any political expenditure during the current or prior year.


### 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 all the steps that he ought to have taken as a director to make himself 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.

By order of the board



J.W. Goodwin  
Chairman

Ivy House Foundry  
Hanley  
Stoke-on-Trent  
ST1 3NR

18 November 2019

## **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), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of Ying Tai (UK) Limited**

### **Opinion**

We have audited the financial statements of Ying Tai (UK) Limited for the year ended 30 April 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes (including the accounting policies in Note 1).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Directors' Report**

The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

# **Independent Auditor's Report to the Members of Ying Tai (UK) Limited *(continued)***

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

Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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 not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Anna Barrell (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

26 November 2019

One Snowhill  
Snow Hill Queensway  
Birmingham B4 6GH

**Profit and Loss Account and Other Comprehensive Income**  
**for the year ended 30 April 2019**

	Note	2019 £	2018 £
Administrative expenses		(36)	(45)
Income from shares in group undertakings	11	-	735,777
Intercompany interest expense	11	(67,972)	(78,105)
<b>(Loss) / profit before taxation</b>	3	<b>(68,008)</b>	657,627
Tax on (loss) / profit	6	-	(73,578)
<b>(Loss) / profit for the financial year being total comprehensive (expense) / income for the year</b>		<b>(68,008)</b>	584,049

The Company has no recognised gains or losses in the current or preceding period other than the loss for the year.

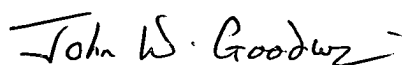
The notes on pages 8 to 14 form part of these financial statements.

**Balance Sheet**  
**at 30 April 2019**

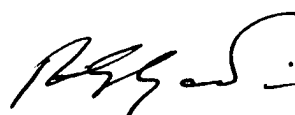
	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Investments	7		3,540,482		3,540,482
<b>Current assets</b>					
Cash at bank and in hand			1,965		2,004
			<u>1,965</u>		<u>2,004</u>
<b>Creditors: amounts falling due within one year</b>	8		-		(3)
			<u>-</u>		<u>(3)</u>
<b>Net current assets</b>			1,965		2,001
<b>Total assets less current liabilities</b>			<u>3,542,447</u>		<u>3,542,483</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(1,674,788)		(2,141,816)
			<u>(1,674,788)</u>		<u>(2,141,816)</u>
<b>Net assets</b>			<u>1,867,659</u>		<u>1,400,667</u>
<b>Capital and reserves</b>					
Called up share capital	10		263,158		263,158
Capital contribution	10		535,000		-
Profit and loss account			1,069,501		1,137,509
			<u>1,867,659</u>		<u>1,400,667</u>
<b>Shareholders' funds</b>			<u>1,867,659</u>		<u>1,400,667</u>

The notes on pages 8 to 14 form part of these financial statements.

These financial statements were approved by the Board of Directors on 18 November 2019 and were signed on its behalf by:



**J.W. Goodwin**  
Chairman



**R.S. Goodwin**  
Director

Company registered number: 04090694



## Statement of Changes in Equity

	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
<b>Balance at 1 May 2017</b>	263,158	-	553,460	816,618
Profit for the year being total comprehensive income for the year	-	-	584,049	584,049
<b>Balance at 30 April 2018</b>	263,158	-	1,137,509	1,400,667
<b>Balance at 1 May 2018</b>	<b>263,158</b>	-	<b>1,137,509</b>	<b>1,400,667</b>
Capital contribution	-	<b>535,000</b>	-	<b>535,000</b>
Loss for the year being total comprehensive income for the year	-	-	<b>(68,008)</b>	<b>(68,008)</b>
<b>Balance at 30 April 2019</b>	<b>263,158</b>	<b>535,000</b>	<b>1,069,501</b>	<b>1,867,659</b>

The notes on pages 8 to 14 form part of these financial statements.

## **Notes**

*(forming part of the financial statements)*

### **1. Accounting policies**

Ying Tai (UK) Limited (the "Company") is a company incorporated and domiciled in England and Wales.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Goodwin plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Goodwin plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's website: [www.goodwin.co.uk](http://www.goodwin.co.uk) and from the Company's Registered Office: Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Goodwin PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis, except where the measurement of balances is required at fair value.

#### **1.2 Going concern**

The Company has a net worth at 30th April 2019 of £1,867,659 (2018: £1,400,667) and a pre tax loss for the year of £68,008 (2018: profit of £657,627). The Company's investments are expected to continue to generate positive cash flows for the foreseeable future, and the Directors confirm that there is no intention to cease operations.

The Company relies on a long-term loan from its parent company, Goodwin PLC.

The Directors, having assessed the responses of the Directors of the Company's parent, Goodwin PLC, to their enquiries, have no reason to believe that a material uncertainty exists, which may cast significant doubt about the ability of the Goodwin PLC Group to continue as a going concern or its ability to continue with the current banking

**Notes (continued)**

**1 Accounting policies (continued)**

**1.2 Going concern (continued)**

arrangements. The group accounts of Goodwin PLC were approved on 22 August 2019. Since that date, there have been no major changes in the group's circumstances which would affect its capacity to continue to support the Company.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Directors' Report and financial statements.

**1.3 Non-derivative financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

*Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand including cash deposits with an original maturity of three months or less.

*Recognition and valuation of equity instruments*

Equity instruments are stated at par value. For ordinary share capital, the par value is recognised in share capital.

*Recognition and valuation of financial liabilities*

Financial liabilities are classified according to the substance of the contractual arrangements into which the Company has entered.

*Inter-company loans*

Inter-company loans are recognised initially at fair value and subsequently at amortised cost using the effective interest method where material.

**1.4 Investments**

Investments held in fixed assets are stated at cost less amounts written off for impairment.

**1.5 Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of an asset's fair value less costs to sell or value in use.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss.

Reversals of impairment

In respect of assets other than goodwill, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Notes (continued)**

**1 Accounting policies (continued)**

**1.6 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**2. Accounting estimates and judgements**

The Company is a holding company and carries investments in other companies as described in Note 7. The Directors look at the carrying values of its investments at the year end for any indication of impairment based on the cash generating units' fair value.

**3. Auditor's remuneration**

The audit fee for the current year of £800 and prior year of £400 has been borne by the parent company.

Amounts receivable by the Company's auditor and its associates, in respect of services to the Company, 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 consolidated financial statements of the Company's parent, Goodwin PLC.

**4. Staff numbers and costs**

The Company had no employees, other than the Directors, in the current or prior year.

**5. Directors' remuneration**

The Directors' remuneration for the period was borne by the parent company and was £5,000 (2018: £5,000).

**Notes (continued)**

**6. Taxation**

**Recognised in the profit and loss account**

	<b>2019</b> <b>£</b>	2018 <b>£</b>
Withholding tax on income from shares in group undertakings	-	73,578
Tax on (loss) / profit on ordinary activities	-	73,578

**Reconciliation of effective tax rate**

	<b>2019</b> <b>£</b>	2018 <b>£</b>
(Loss) / profit for the year	<b>(68,008)</b>	584,049
Total tax expense	-	73,578
(Loss) / (profit) excluding taxation	<b>(68,008)</b>	657,627
Tax using the UK corporation tax rate of 19% (2018: 19%)	<b>(12,922)</b>	124,949
Losses not utilised	<b>12,922</b>	14,849
Difference in withholding tax rates	-	(66,220)
Total tax expense	-	73,578

The Finance Act 2016, which included legislation reducing the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 was enacted fully on 15 September 2016. This will reduce the company's future current tax charge accordingly.

**Notes (continued)**

**7. Fixed asset investments**

Investments  
in subsidiary  
companies  
£

Cost at the beginning and end of the year 3,540,482

**Net book value at the beginning and end of the year** **3,540,482**

The Company has the following investments in subsidiaries:

Name	Country of incorporation	Registered address	Principal activity	% of ordinary shares held
SRS Guangzhou Limited	China	No.73, Jiao Xin Road, Lanhe Town, Nansha District, Guangzhou City, 511480, China	Non-trading	100%
SRS (Qingdao) Casting Materials Company Limited	China	400 metres North from Nan Zhai Committee, Xifuzhen Street, Chengyang District, Qingdao City, 266106, China	Refractory engineering	100%

**8. Creditors: amounts falling due within one year**

	2019 £	2018 £
Amounts owed to group undertakings – fellow subsidiaries	-	3

**9. Creditors: amounts falling after more than one year**

	2019 £	2018 £
Amounts owed to group undertakings – parent company	<b>1,674,788</b>	2,141,816

The loan is repayable by April 2021. Interest is payable at 2.5% over the Bank of England base rate.

**Notes (continued)**

**10. Share capital and reserves**

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
283,125 (2018: 191,250) 'A' ordinary shares of \$1 each	198,682	134,209
91,875 (2018: 183,750) 'B' ordinary shares of \$1 each	64,472	128,945
4 deferred ordinary shares of £1 each	4	4
	<hr/> 263,158 <hr/>	<hr/> 263,158 <hr/>
Shares classified in shareholders' funds	<hr/> 263,158 <hr/>	<hr/> 263,158 <hr/>
Capital contribution	<hr/> 535,000 <hr/>	<hr/> - <hr/>

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

The holders of the deferred shares have no rights 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.

Capital contribution

On 26 April 2019, Goodwin Refractory Services Holdings Ltd purchased the entirety of the Ying Tai shareholding of Mr. P Hongrichinda. As part of the purchase agreement Mr Hongrichinda repaid £535,000 of the Ying Tai loan owed to Goodwin PLC and this has been treated in the accounts as a capital contribution.

**11. Related parties**

The Company is 75.5% owned by Goodwin PLC and is included in the consolidated financial statements of Goodwin PLC. The other related party, with which the Company has transacted, is its subsidiary, SRS (Guangzhou) Limited.

Details of the related party transactions and balances are outlined below:

	2019 £	2018 £
Dividend income – fellow subsidiary	-	735,777
Interest payable – parent company	67,972	78,105
Outstanding creditors – parent company	1,674,788	2,141,816
Outstanding creditors – fellow subsidiary	-	3
	<hr/> 1,674,788 <hr/>	<hr/> 2,141,819 <hr/>

**Notes** *(continued)*

**12. Ultimate parent company**

The Company is a subsidiary undertaking of Goodwin Refractory Services Holdings Limited. Goodwin PLC, which is the ultimate parent company, is incorporated in England and Wales, and its registered address is Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.

**13. Subsequent events**

There have been no significant events occurring after the reporting period.