
Chint Europe (UK) Limited

Annual Report and Financial Statements

For the year ended 30 June 2023

Chint Europe (UK) Limited

Company Information

Director	Haibin Zheng
Company secretary	Yuk Chan
Registered number	05058286
Registered office	Units 9 & 11 Spark Business Park Hamilton Road Stockport Greater Manchester SK1 2AE
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD

Chint Europe (UK) Limited

Contents

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Analysis of net debt	13
Notes to the financial statements	14 - 25

Strategic Report
For the year ended 30 June 2023

Introduction

The director presents his strategic report for the year ended 30 June 2023.

Business review

The Director is pleased with this year's excellent performance despite the challenges seen market wide. The company saw an increase of 18.2% in sales, continuing another year of consecutive revenue growth. Operating profit for the year increased by £1.7m to a profit of £3.6m.

The increase in revenue and profit compared to 2022 reflect that the company was able to continue trading well throughout the year despite the challenges seen in the market. Distribution costs show a decrease of £1.1m which is due to the allocation of shipping and handling fees which are now included in cost of sales. Administration expenses have increased by £255k to support the growth of the company. Staff costs have increased by £56.5k as a result of increased staff numbers and cost of living support provided during the year. Travelling and entertaining costs have increased by £63k as travelling has been able to go ahead again following the Covid pandemic. Sales consultants have been hired to explore new product lines around the electric vehicle charging points, increasing costs by £45k.

The company has net assets of £6,853,648 (2022: £3,947,333) as at 30 June 2023 and is in a strong position to build on the successes seen, whilst maintaining the margins achieved. Stocks have increased by £1.8m to support the growth in revenue. Debtors have reduced by £2.9m due to improvements in debt collection and customer payments, with net cash generated from operating activities of £2.1m accounting for the increase seen in the cash and bank balances. The improvements in customer payments and cashflow has led to the decrease in creditors of £1.9m.

Principal risks and uncertainties

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the company's operations.

In respect of bank balances, the liquidity risk is managed by the continuity of funding. All of the company's cash balances are held in such a way that achieves a competitive rate of interest but with no risk to capital loss.

Trade debtors are managed in respect of credit offered to customers and monitoring of amounts outstanding. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due. The director has considered the outlook for the UK economy and the impact of high inflation and interest rates when budgeting and considering impacts on trading in the next twelve months.

Financial key performance indicators

The key performance indicators in the company are turnover and profitability. Along with debtor days and the stock turnover, these indicators are used to help the directors monitor the performance of the business. The turnover of the company increased from £13.1m in 2022 to £15.4m in 2023. The movements seen have been explained in the Business Review above.

	2023	2022
Turnover	£15.4m	£13.1m
Debtor Days	14.7	104.9
Stock turnover	2.1	2.7

Chint Europe (UK) Limited

Strategic Report (continued)
For the year ended 30 June 2023

This report was approved by the board and signed on its behalf.

Haibin Zheng
Director

Date: 21 February 2024

Director's Report
For the year ended 30 June 2023

The director presents his report and the financial statements for the year ended 30 June 2023.

Director's responsibilities statement

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,906,315 (2022 - £1,542,451).

No dividend (2022: £8,000) was paid during the year ended 30 June 2023. The directors do not recommend the payment of a dividend.

Director

The director who served during the year was:

Haibin Zheng

Future developments

The director continues to work closely with the Chinese supplier to source suitable products for the UK market.

Matters covered in the Strategic Report

Disclosure of Principal risks and uncertainties can be found within the Strategic report.

Chint Europe (UK) Limited

Director's Report (continued)
For the year ended 30 June 2023

Disclosure of information to auditors

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Hurst Accountants Limited were appointed as auditors during the year. They will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Haibin Zheng

Director

Date: 21 February 2024

Independent Auditors' Report to the Members of Chint Europe (UK) Limited

Qualified Opinion

We have audited the financial statements of Chint Europe (UK) Limited (the 'Company') for the year ended 30 June 2023, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 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 qualified opinion

The company was not audited in the previous period and we did not observe the counting of physical stocks at the beginning of the period. We were unable to satisfy ourselves by alternative means concerning stock quantities held at 30 June 2022. Since opening stocks enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the loss for the period reported in the statement of income and retained earnings.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Chint Europe (UK) Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's 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 director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Chint Europe (UK) Limited (continued)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Antibribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Independent Auditors' Report to the Members of Chint Europe (UK) Limited (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Other matters

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

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 auditors' 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.

Anthony Woodings (senior statutory auditor)
for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

SK1 1TD

21 February 2024

Chint Europe (UK) Limited

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 £	Unaudited 2022 £
Turnover	4	15,432,529	13,059,185
Cost of sales		(10,106,525)	(8,529,273)
Gross profit		5,326,004	4,529,912
Distribution costs		(321,878)	(1,453,737)
Administrative expenses		(1,391,507)	(1,136,513)
Other operating income	5	-	17,434
Operating profit	6	3,612,619	1,957,096
Interest receivable and similar income	10	58,524	270
Profit before tax		3,671,143	1,957,366
Tax on profit	11	(764,828)	(414,915)
Profit for the financial year		2,906,315	1,542,451

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 14 to 25 form part of these financial statements.

Chint Europe (UK) Limited
Registered number:05058286

Balance Sheet
As at 30 June 2023

	Note	2023 £	Unaudited 2022 £
Fixed assets			
Tangible assets	13	129,090	139,125
		<u>129,090</u>	<u>139,125</u>
Current assets			
Stocks	14	4,925,161	3,146,400
Debtors: amounts falling due within one year	15	1,224,578	4,168,143
Cash at bank and in hand	16	3,641,065	1,492,091
		<u>9,790,804</u>	<u>8,806,634</u>
Creditors: amounts falling due within one year	17	(3,036,167)	(4,965,101)
		<u>6,754,637</u>	<u>3,841,533</u>
Net current assets		<u>6,754,637</u>	<u>3,841,533</u>
Total assets less current liabilities		<u>6,883,727</u>	<u>3,980,658</u>
Provisions for liabilities			
Deferred tax	18	(30,079)	(33,325)
		<u>(30,079)</u>	<u>(33,325)</u>
Net assets		<u><u>6,853,648</u></u>	<u><u>3,947,333</u></u>
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account	20	6,852,648	3,946,333
		<u><u>6,853,648</u></u>	<u><u>3,947,333</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Haibin Zheng
Director

Date: 21 February 2024

The notes on pages 14 to 25 form part of these financial statements.

Chint Europe (UK) Limited

**Statement of Changes in Equity
For the year ended 30 June 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2021	1,000	2,411,882	2,412,882
Comprehensive income for the year			
Profit for the year	-	1,542,451	1,542,451
Total comprehensive income for the year	-	1,542,451	1,542,451
Contributions by and distributions to owners			
Dividends: Equity capital	-	(8,000)	(8,000)
At 1 July 2022	1,000	3,946,333	3,947,333
Comprehensive income for the year			
Profit for the year	-	2,906,315	2,906,315
Total comprehensive income for the year	-	2,906,315	2,906,315
At 30 June 2023	1,000	6,852,648	6,853,648

The notes on pages 14 to 25 form part of these financial statements.

Chint Europe (UK) Limited

Statement of Cash Flows
For the year ended 30 June 2023

	2023 £	Unaudited 2022 £
Cash flows from operating activities		
Profit for the financial year	2,906,315	1,542,451
Depreciation of tangible assets	22,257	23,085
Loss on disposal of tangible assets	6,255	688
Interest received	(58,524)	(270)
Taxation charge	764,828	414,915
(Increase) in stocks	(1,778,761)	(76,508)
Decrease/(increase) in debtors	2,943,565	(1,866,498)
(Decrease)/increase in creditors	(1,987,979)	864,278
Corporation tax (paid)	(709,029)	(247,434)
Net cash generated from operating activities	2,108,927	654,707
Cash flows from investing activities		
Purchase of tangible fixed assets	(18,477)	(7,527)
Interest received	58,524	270
Net cash from investing activities	40,047	(7,257)
Cash flows from financing activities		
Dividends paid	-	(8,000)
Net cash used in financing activities	-	(8,000)
Net increase in cash and cash equivalents	2,148,974	639,450
Cash and cash equivalents at beginning of year	1,492,091	852,641
Cash and cash equivalents at the end of year	3,641,065	1,492,091
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,641,065	1,492,091
	3,641,065	1,492,091

The notes on pages 14 to 25 form part of these financial statements.

Chint Europe (UK) Limited

Analysis of Net Debt
For the year ended 30 June 2023

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	1,492,091	2,148,974	3,641,065
Debt due within 1 year	(2,691)	2,026	(665)
	<u>1,489,400</u>	<u>2,151,000</u>	<u>3,640,400</u>

The notes on pages 14 to 25 form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2023

1. General information

Chint Europe (UK) Limited is a private company limited by shares and is incorporated in the United Kingdom, company number 05058286. The address of the registered office is Units 9 & 11 Spark Business Park, Hamilton Road, Stockport, Greater Manchester, SK1 2AE.

The principal activity of the company during the year continued to be that of wholesale of electrical parts and equipment.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Notes to the Financial Statements
For the year ended 30 June 2023

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements
For the year ended 30 June 2023

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	15%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	15%	reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2023

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

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

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13 Creditors

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

2.14 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or

Notes to the Financial Statements
For the year ended 30 June 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Dividends

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no estimates considered to have a significant effect on the amounts recognised in the financial statements.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

Chint Europe (UK) Limited

**Notes to the Financial Statements
For the year ended 30 June 2023**

5. Other operating income

	2023	<i>Unaudited 2022</i>
	£	£
Government grants receivable	<u>-</u>	<u>17,434</u>

6. Operating profit

The operating profit is stated after charging:

	2023	<i>Unaudited 2022</i>
	£	£
Exchange differences	391	<i>(50)</i>
Other operating lease rentals	<u>152,860</u>	<u><i>138,040</i></u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	<i>Unaudited 2022</i>
	£	£
Audit and related services	14,300	<i>-</i>

The auditors were appointed during the year and the prior year figures were not audited.

Chint Europe (UK) Limited

**Notes to the Financial Statements
For the year ended 30 June 2023**

8. Employees

Staff costs, including director's remuneration, were as follows:

	2023	<i>Unaudited 2022</i>
	£	£
Wages and salaries	688,052	639,851
Social security costs	78,829	73,861
Cost of defined contribution scheme	18,495	16,972
	<u>785,376</u>	<u>730,684</u>

The average monthly number of employees, including the director, during the year was as follows:

	2023	<i>Unaudited</i>
	No.	<i>2022</i>
	18	<i>17</i>
Employees	<u>18</u>	<u>17</u>

9. Director's remuneration

	2023	<i>Unaudited 2022</i>
	£	£
Director's emoluments	53,334	45,000
Company contributions to defined contribution pension schemes	1,215	-
	<u>54,549</u>	<u>45,000</u>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2023	<i>Unaudited 2022</i>
	£	£
Other interest receivable	<u>58,524</u>	<u>270</u>

Chint Europe (UK) Limited

Notes to the Financial Statements
For the year ended 30 June 2023

11. Taxation

	2023 £	Unaudited 2022 £
Corporation tax		
Current tax on profits for the year	768,074	381,590
	<u>768,074</u>	<u>381,590</u>
Total current tax	<u>768,074</u>	<u>381,590</u>
Deferred tax		
Origination and reversal of timing differences	(3,246)	33,325
Total deferred tax	<u>(3,246)</u>	<u>33,325</u>
Taxation on profit on ordinary activities	<u>764,828</u>	<u>414,915</u>

Chint Europe (UK) Limited

Notes to the Financial Statements
For the year ended 30 June 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023 £	Unaudited 2022 £
Profit on ordinary activities before tax	<u>3,671,143</u>	<u>1,957,366</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	917,786	371,900
Effects of:		
Change in CT rates	(168,758)	-
Deferred tax charge	-	33,325
Super-deduction pool adjustment	(169)	(429)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	<u>15,969</u>	<u>10,119</u>
Total tax charge for the year	<u><u>764,828</u></u>	<u><u>414,915</u></u>

Factors that may affect future tax charges

The corporation tax rate is expected to remain at 25% for those companies exceeding £250,000 profits. The rate is 19% for those companies with profits of £50,000 or less, while those with profits £50,000-£250,000 will pay the 25% rate reduced by a marginal relief.

12. Dividends

	2023 £	Unaudited 2022 £
Dividends paid on ordinary shares	<u>-</u>	<u>8,000</u>

Chint Europe (UK) Limited

Notes to the Financial Statements
For the year ended 30 June 2023

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 July 2022	92,228	20,149	282,728	395,105
Additions	7,767	-	10,710	18,477
Disposals	(8,418)	-	(17,814)	(26,232)
At 30 June 2023	91,577	20,149	275,624	387,350
Depreciation				
At 1 July 2022	55,211	10,330	190,439	255,980
Charge for the year on owned assets	5,947	1,421	14,889	22,257
Disposals	(7,937)	-	(12,040)	(19,977)
At 30 June 2023	53,221	11,751	193,288	258,260
Net book value				
At 30 June 2023	38,356	8,398	82,336	129,090
At 30 June 2022	37,017	9,819	92,289	139,125

14. Stocks

	2023 £	Unaudited 2022 £
Finished goods and goods for resale	4,925,161	3,146,400

15. Debtors

	2023 £	Unaudited 2022 £
Trade debtors	623,163	3,752,927
Other debtors	134,494	360,996
Prepayments and accrued income	466,921	54,220
	1,224,578	4,168,143

Chint Europe (UK) Limited

**Notes to the Financial Statements
For the year ended 30 June 2023**

16. Cash and cash equivalents

	2023	<i>Unaudited 2022</i>
	£	£
Cash at bank and in hand	<u>3,641,065</u>	<u><i>1,492,091</i></u>

17. Creditors: Amounts falling due within one year

	2023	<i>Unaudited 2022</i>
	£	£
Trade creditors	2,237,023	<i>4,407,839</i>
Corporation tax	440,574	<i>381,529</i>
Other taxation and social security	43,746	<i>19,862</i>
Other creditors	65,270	<i>8,116</i>
Accruals and deferred income	249,554	<i>147,755</i>
	<u>3,036,167</u>	<u><i>4,965,101</i></u>

18. Deferred taxation

	2023
	£
At beginning of year	(33,325)
Charged to profit or loss	3,246
At end of year	<u>(30,079)</u>

The provision for deferred taxation is made up as follows:

	2023	<i>Unaudited 2022</i>
	£	£
Accelerated capital allowances	(31,079)	<i>(33,325)</i>
Other timing differences	1,000	<i>-</i>
	<u>(30,079)</u>	<u><i>(33,325)</i></u>

Chint Europe (UK) Limited

**Notes to the Financial Statements
For the year ended 30 June 2023**

19. Share capital

	2023 £	<i>Unaudited</i> 2022 £
Allotted, called up and fully paid		
1,000 (2022 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

20. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately to those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £18,495 (2022: £16,972). Contributions totalling £3,998 (2022: £3,246) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	<i>Unaudited</i> 2022 £
Not later than 1 year	218,661	173,717
Later than 1 year and not later than 5 years	864,000	866,661
Later than 5 years	414,000	630,000
	<u>1,496,661</u>	<u>1,670,378</u>

23. Related party transactions

The company had revenue transactions with a company with a common director totalling £435,649 and expenses totalling £3,608,817. At the year end, the total debtor balance with this party was £13,079, the total creditor balance was £232,000.

24. Controlling party

The ultimate controlling party is H Zheng.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.