

Registration number: 08991238

# Hikvision UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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## **Hikvision UK Limited**

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## **Hikvision UK Limited**

### **Company Information**

<b>Directors</b>	L Yao J Yang
<b>Company secretary</b>	X Ge J Yuan
<b>Registered office</b>	4 The Square Stockley Park Uxbridge UB11 1ET
<b>Auditors</b>	Hawsons Chartered Accountants Statutory auditor Pegasus House 463a Glossop Road Sheffield South Yorkshire S10 2QD

## Hikvision UK Limited

### Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

#### Fair review of the business

The principal activity of the company is to provide technical and support services to the UK and Ireland customers of other group companies and to the ultimate parent company in China. The company also sells certain ranges of CCTV products to the UK and Ireland customers directly.

The results for the year are set out in the financial statements.

The company sales have performed well in the UK. Performance in the UK and Ireland has remained very good despite the economic and political uncertainty over the last year. Overall margin increased by 15.5%, mainly due to the increase proportion of service fee charge. The overhead base has increased, mainly due to employment costs with the expansion of the UK business and also the tax remediation of previous years for expatriates. Overheads continue to be monitored and controlled by management.

The CCTV market remains highly competitive, but the directors are confident that the company will continue to develop its market position.

The directors recommended a dividend payment to Cooperatief Hikvision Europe U.A. this year, amounting to £1,655,056 (2020: nil).

The company's directors believe that the key performance indicators to assess and manage the trading performance of the company are revenue, gross margin, overheads and net assets. The comparison of these KPIs against both prior year and budget are key for the directors to understand the progress of the company when undertaking strategic planning.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Revenue	£000	27,280	28,453
Gross margin	%	69	54
Overheads	£000	16,013	11,263
Net assets	£000	6,745	6,753

Revenue has decreased by 4.1% due mainly to the decrease of thermal products sales.

Gross margin has increased by 15.5%, due to the increase proportion of service recharges revenue.

Overheads increased by 42.2% due to the continued expansion of the office to service the UK and Ireland market, as well as the tax remediation of previous years for expatriates.

Net assets have decreased by £8k, mainly due to the dividend payment this year. Stripping this effect out, net assets have increased by £1,647k, reflecting the continued profitability in the year, from the increase in revenue generated from the expansion of operations.

## Hikvision UK Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Principal risks and uncertainties

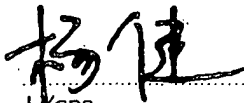
The company operates in the UK and Ireland markets and manages the risks inherent in its activities. External risk factors include political and economic conditions, actions of competitors, the effect of legislation or other regulatory action, credit risk, business continuity, environmental risks, exchange rates and litigation. Internal risks include investment risk with new products and projects, control failure risk and inability to supply. The company seeks to manage exposure to all forms of risk where practicable, and to transfer risk to insurers where cost effective.

The directors are managing the business closely in this period of global uncertainty and taking actions to reduce the adverse impact on the business due to the current global COVID-19 pandemic. The situation is monitored and plans updated on a regular basis to ensure the business is taking advantage of all available options open to it and is in the best position during the current uncertainty.

#### Future developments

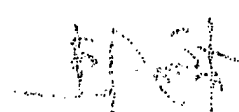
The directors expect the general level of activity for the business to increase over future years as the global economy continues to recover from the current global COVID-19 pandemic. The directors have taken steps to meet market demands in new business areas and expect this proactive approach to continue to benefit the company for the foreseeable future.

Approved by the Board on ..... and signed on its behalf by:



J Yang  
Director

18/05/2022



## Hikvision UK Limited

### Directors' Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

#### Directors of the company

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

L Yao

J Yang

#### Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefits of its directors which were made during the year and remain in force at the date of this report.

#### Disclosure of information to the auditors

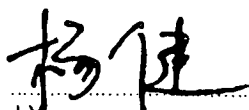
Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Reappointment of auditors

The auditors Hawsons Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on ..... and signed on its behalf by:



J Yang  
Director

18/05/2022

## **Hikvision UK Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Hikvision UK Limited**

### **Independent Auditor's Report to the Members of Hikvision UK Limited**

#### **Opinion**

We have audited the financial statements of Hikvision UK Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the directors' 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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are 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.



## **Hikvision UK Limited**

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

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

## Hikvision UK Limited

### Independent Auditor's Report to the Members of Hikvision UK Limited (continued)

Audit procedures performed by the engagement team included:

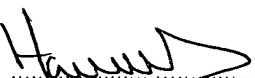
- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the calculation of inventory provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. 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 is available on the Financial Reporting Council's website at [www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for](http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Hill (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House  
463a Glossop Road  
Sheffield  
South Yorkshire  
S10 2QD

Date: 19/5/21

## Hikvision UK Limited

### Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	2	27,280	28,453
Cost of sales		<u>(8,406)</u>	<u>(13,191)</u>
Gross profit		18,874	15,262
Distribution costs		(183)	(249)
Administrative expenses		(15,830)	(11,014)
Other operating income		<u>100</u>	<u>43</u>
Operating profit	4	2,961	4,042
Interest payable and similar expenses	3	<u>(78)</u>	<u>(108)</u>
Profit before tax		2,883	3,934
Tax on profit	7	<u>(1,236)</u>	<u>(754)</u>
Profit for the financial year		<u><u>1,647</u></u>	<u><u>3,180</u></u>

The above results were derived from continuing operations.

## Hikvision UK Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £ 000	2020 £ 000
Profit for the year	<u>1,647</u>	<u>3,180</u>
Total comprehensive income for the year	<u>1,647</u>	<u>3,180</u>

# Hikvision UK Limited

(Registration number: 08991238)

## Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Tangible assets	8	602	769
<b>Current assets</b>			
Stocks	9	732	1,389
Debtors	10	9,519	8,298
Cash at bank and in hand		2,138	3,569
		12,389	13,256
<b>Creditors: Amounts falling due within one year</b>	11	(6,160)	(7,181)
<b>Net current assets</b>		6,229	6,075
<b>Total assets less current liabilities</b>		6,831	6,844
<b>Provisions for liabilities</b>	7	(86)	(91)
<b>Net assets</b>		6,745	6,753
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		6,645	6,653
<b>Total equity</b>		6,745	6,753

These financial statements were approved and authorised for issue by the Board on ..... and signed on its behalf by:



18/05/2022

J Yang  
Director

# Hikvision UK Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	100	6,653	6,753
Profit for the year	-	1,647	1,647
Total comprehensive income	-	1,647	1,647
Dividends	-	(1,655)	(1,655)
At 31 December 2021	100	6,645	6,745

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	100	3,473	3,573
Profit for the year	-	3,180	3,180
Total comprehensive income	-	3,180	3,180
At 31 December 2020	100	6,653	6,753

## **Hikvision UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 Accounting policies**

##### **Statutory information**

Hikvision UK Limited is a private company, limited by shares, domiciled in England and Wales, company number 08991238. The registered office is at 4 The Square, Stockley Park, Uxbridge, UB11 1ET.

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company. The financial statements are those of an individual entity. The financial statements are presented in round thousands.

##### **Summary of disclosure exemptions**

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the exemptions available to it in relation to the preparation of a statement of cash flows, financial instruments and remuneration of key management personnel.

##### **Going concern**

The financial statements are prepared on a going concern basis.

The directors review the company performance against key performance indicators and forecasts to manage the continued profitability. The company's forecasts and projections are updated on a regular basis and show that the company should be able to operate within the level of its current facility.

In forming their opinion on going concern, the directors have considered the reliance the company places on the ability of Hangzhou Hikvision Digital Technology Co Ltd to provide financial support to the company.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

##### **Tax**

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

## **Hikvision UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **1 Accounting policies (continued)**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### **Tangible assets**

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, less their estimated residual value, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Motor vehicles	Straight line 3-5 years
Fixtures, fittings and equipment	Straight line 3 years

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



## **Hikvision UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### **Defined contribution pension obligation**

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the statement of comprehensive income.

##### **Critical accounting judgements and sources of estimation of uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Judgements**

The directors consider there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying the company's accounting policies on the amounts recognised in the financial statements.

# Hikvision UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 1 Accounting policies (continued)

#### Key sources of estimation uncertainty

The directors have used their knowledge and experience of the industry in determining the level and rates of provisioning required to calculate the appropriate inventory carrying values. Sales in the industry vary with changes in consumer demand. As a result, there is a risk that the cost of inventory exceeds its net realisable value or could become obsolete. Management calculate the inventory provision on the basis of the ageing profile of what is in stock and anticipated sales levels. Adjustments are made where appropriate based on directors' knowledge and experience to calculate the appropriate inventory carrying values.

### 2 Revenue

The analysis of the company's turnover for the year by class of business is as follows:

	2021 £ 000	2020 £ 000
Sale of goods	8,050	14,579
Rendering of services	19,230	13,874
	<u>27,280</u>	<u>28,453</u>

The analysis of the company's turnover for the year by market is as follows:

	2021 £ 000	2020 £ 000
UK and Ireland	7,950	14,658
Rest of world	19,330	13,795
	<u>27,280</u>	<u>28,453</u>

### 3 Interest payable and similar charges

	2021 £ 000	2020 £ 000
Finance lease charges	1	4
Other interest payable	51	-
Interest payable on loans from group undertakings	26	104
	<u>78</u>	<u>108</u>

### 4 Operating profit

Arrived at after charging/(crediting):

	2021 £ 000	2020 £ 000
Depreciation of owned fixed assets	221	229
Depreciation of fixed assets held under finance lease	6	13
Loss on disposal of property, plant and equipment	3	5
Foreign exchange (gains)/losses	(91)	73
Operating lease expense	871	825
Auditor's remuneration - audit of the company's annual accounts	<u>17</u>	<u>15</u>

# Hikvision UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	8,169	6,625
Social security costs	1,020	812
Pension costs, defined contribution scheme	178	140
	<u>9,367</u>	<u>7,577</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Technical and sales	104	83
Administration and support	23	17
Management	1	1
	<u>128</u>	<u>101</u>

### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£ 000	£ 000
Remuneration	203	187
Contributions paid to money purchase schemes	8	6
	<u>211</u>	<u>193</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2021	2020
	£ 000	£ 000
Remuneration	203	187
Company contributions to money purchase pension schemes	<u>8</u>	<u>6</u>

# Hikvision UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 7 Taxation

Tax charged/(credited) in the income statement

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
UK corporation tax	580	787
UK corporation tax adjustment to prior periods	661	-
	<u>1,241</u>	<u>787</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(5)	(33)
Tax expense in the income statement	<u>1,236</u>	<u>754</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	<u>2,883</u>	<u>3,934</u>
Corporation tax at standard rate	548	747
Expenses not deductible	6	9
Deferred tax expense related to change in tax rates	21	-
Tax adjustments for prior periods	659	-
Other	2	(2)
Total tax charge	<u>1,236</u>	<u>754</u>

### Deferred tax

Deferred tax assets and liabilities

2021	Liability £ 000
Difference between accumulated depreciation and amortisation and capital allowances	94
Unpaid pension contributions	(8)
	<u>86</u>

# Hikvision UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 7 Taxation (continued)

	Liability £ 000
2020	
Difference between accumulated depreciation and amortisation and capital allowances	95
Unpaid pension contributions	(4)
	<u>91</u>

### 8 Tangible assets

	Fixtures and fittings £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 January 2021	1,365	59	1,424
Additions	91	-	91
Disposals	(27)	(59)	(86)
At 31 December 2021	<u>1,429</u>	<u>-</u>	<u>1,429</u>
<b>Depreciation</b>			
At 1 January 2021	630	25	655
Charge for the year	221	6	227
Eliminated on disposal	(24)	(31)	(55)
At 31 December 2021	<u>827</u>	<u>-</u>	<u>827</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>602</u>	<u>-</u>	<u>602</u>
At 31 December 2020	<u>735</u>	<u>34</u>	<u>769</u>

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £ 000	2020 £ 000
Motor vehicles	<u>-</u>	<u>34</u>

### 9 Stocks

	2021 £ 000	2020 £ 000
Raw materials	71	13
Work in progress	114	102
Finished goods	<u>547</u>	<u>1,274</u>
	<u>732</u>	<u>1,389</u>

# Hikvision UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 10 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	2,037	4,430
Amounts due from other group undertakings	6,066	2,497
Other debtors	90	77
Prepayments	1,326	1,294
	<u>9,519</u>	<u>8,298</u>

### 11 Creditors

	2021 £ 000	2020 £ 000
<b>Due within one year</b>		
Trade creditors	848	1,464
Amounts owed to group undertakings	2,991	3,974
Social security and other taxes	310	206
Accruals and deferred income	1,733	1,414
Corporation tax	256	90
Other creditors	22	-
Finance lease and hire purchase liabilities	-	33
	<u>6,160</u>	<u>7,181</u>

The company, from time to time, has US dollar loans from group companies which are short term rolling loans. At the balance sheet date, the loans amounted to \$nil (2020 - \$1.2m). The loans carry an interest rate of 2.7% per annum (2020 - 2.6%). Other amounts due to group undertakings do not bear interest.

Finance lease and hire purchase contracts are secured on the assets concerned.

## Hikvision UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 12 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	2021 £ 000	2020 £ 000
Not later than one year	<u>-</u>	<u>33</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £ 000	2020 £ 000
Not later than one year	799	756
Later than one year and not later than five years	<u>540</u>	<u>1,075</u>
	<u>1,339</u>	<u>1,831</u>

#### 13 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £178,427 (2020 - £140,451).

Contributions totalling £31,422 (2020 - £22,087) were payable to the scheme at the end of the year and are included in creditors.

#### 14 Share capital

##### Allotted, called up and fully paid shares

	No. 000	2021 £ 000	No. 000	2020 £ 000
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The ordinary shares carry no right to fixed income.

#### 15 Related party transactions

The company has taken advantage of the exemption granted in Section 33 of FRS 102 not to disclose related party transactions with other wholly owned group companies

There were no other related party transactions.

## **Hikvision UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **16 Parent and ultimate parent undertaking**

The company's immediate parent undertaking is Cooperatief Hikvision Europe UA, incorporated in Netherlands.

Cooperatief Hikvision Europe UA is the parent undertaking of the smallest group in which the financial statements of the company are consolidated. These financial statements are available from the registered office at Dirk Storklaan 3, 2132 PX Hoofddorp, Netherlands.

The ultimate parent undertaking is Hangzhou Hikvision Digital Technology Co Ltd, incorporated in China.

The most senior parent entity producing publicly available financial statements is Hangzhou Hikvision Digital Technology Co Ltd. These financial statements are available upon request from No. 555 Qianmo Road, Binjiang District, Hangzhou 310052, China.