

Company Registration No. 09965414 (England and Wales)

ASIA INDUSTRIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



ASIA INDUSTRIAL UK LIMITED

COMPANY INFORMATION

Director	M Huxhold
Company number	09965414
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom

ASIA INDUSTRIAL UK LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 20

ASIA INDUSTRIAL UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents the strategic report for the year ended 31 December 2017.

Fair review of the business

Both the level of business and the year end financial position were as expected by the director. The director expects the level of activity to increase in future periods.

Principal risks and uncertainties

The principal risks to the company include its reliance on a small number of customers and suppliers. The director considers the relationship between the company and its customers and suppliers to be strong.

Development and performance

The company had turnover of €34,869,572 (2016: €13,030,908) and profit of €11,041,939 (2016: €2,324,827) for the year.

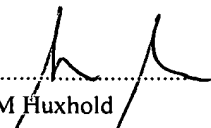
At 31 December 2017 the company had net assets of €13,376,767 (2016: €2,334,828).

Post year end the company acquired two new subsidiaries, LMAA in Hong Kong and Shanghai Kaiji in Shanghai. The company also founded a manufacturing site in Qingdao, China. Full incorporations at present are still in progress.

Key performance indicators

In the opinion of the director there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board


.....
M Huxhold
Director
6/03/19
.....

ASIA INDUSTRIAL UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents her annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continues to be that of sourcing and supplying sanitary equipment for high speed trains.

Director

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

M Huxhold

Results and dividends

The result for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

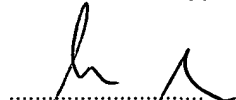
Auditor

In accordance with the company's articles, a resolution proposing that H W Fisher & Company be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



M Huxhold

Director

Date: 6/03/19

ASIA INDUSTRIAL UK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director is responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 enable them to ensure that the financial statements comply with the Companies Act 2006. She 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.

ASIA INDUSTRIAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ASIA INDUSTRIAL UK LIMITED

Opinion

We have audited the financial statements of Asia Industrial UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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.

ASIA INDUSTRIAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASIA INDUSTRIAL UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 director

As explained more fully in the Director's Responsibilities Statement, 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 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 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Simon Mott-Cowan (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

..... 6 March 2019

ASIA INDUSTRIAL UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		Year ended 31 December 2017 €	Period ended 31 December 2016 €
	Notes		
Turnover	3	34,869,572	13,030,908
Cost of sales		(20,021,204)	(8,162,181)
Gross profit		14,848,368	4,868,727
Administrative expenses		(4,260,916)	(1,982,493)
Other operating income		3,037,095	41,895
Operating profit	4	13,624,547	2,928,129
Interest receivable and similar income	7	39	-
Interest payable and similar expenses		(11,293)	(19,445)
Profit before taxation		13,613,293	2,908,684
Tax on profit	8	(2,571,354)	(583,857)
Profit for the financial year		11,041,939	2,324,827

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ASIA INDUSTRIAL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31 December 2017 €	Period ended 31 December 2016 €
Profit for the year	11,041,939	2,324,827
Other comprehensive income	-	-
Total comprehensive income for the year	<u>11,041,939</u>	<u>2,324,827</u>

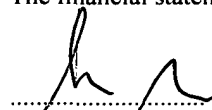
ASIA INDUSTRIAL UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 €	€	2016 €	€
Fixed assets					
Tangible assets	9		12,618		3,555
Current assets					
Stocks	11	452,772		898,110	
Debtors	12	10,616,680		5,209,123	
Cash at bank and in hand		12,254,803		1,142,524	
		23,324,255		7,249,757	
Creditors: amounts falling due within one year	13	(9,960,106)		(4,918,484)	
Net current assets			13,364,149		2,331,273
Total assets less current liabilities			13,376,767		2,334,828
Capital and reserves					
Called up share capital	16	10,001		10,001	
Profit and loss reserves		13,366,766		2,324,827	
Total equity			13,376,767		2,334,828

The financial statements were approved and signed by the director and authorised for issue on 6/03/19



M. Huxhold
Director

Company Registration No. 09965414

ASIA INDUSTRIAL UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital €	Profit and loss reserves €	Total €
Balance at 22 January 2016		-	-	-
Period ended 31 December 2016:				
Profit and total comprehensive income for the period		-	2,324,827	2,324,827
Issue of share capital	16	10,001	-	10,001
Balance at 31 December 2016		10,001	2,324,827	2,334,828
Period ended 31 December 2017:				
Profit and total comprehensive income for the period		-	11,041,939	11,041,939
Balance at 31 December 2017		10,001	13,366,766	13,376,767

ASIA INDUSTRIAL UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	€	2016 €	€
Cash flows from operating activities					
Cash generated from operations	20	11,809,836		1,157,301	
Interest paid		(11,293)		(19,445)	
Income taxes paid		(671,855)		-	
Net cash inflow from operating activities		11,126,688		1,137,856	
Investing activities					
Purchase of tangible fixed assets		(14,448)		(5,333)	
Interest received		39		-	
Net cash used in investing activities			(14,409)		(5,333)
Financing activities					
Proceeds from issue of shares		-		10,001	
Net cash (used in)/generated from financing activities			-		10,001
Net increase in cash and cash equivalents		11,112,279		1,142,524	
Cash and cash equivalents at beginning of year		1,142,524		-	
Cash and cash equivalents at end of year		12,254,803		1,142,524	

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Asia Industrial UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, United Kingdom, NW1 3ER.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Tangible fixed assets

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

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

Fixtures, fittings and equipments	33.33% Straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct costs that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

Warranty provision

Warranties are provided for 12 months, 24 months and 36 months depending on the product. Based on prior experience, the director has estimated the warranty provision at 0.5% of the sales value during the year.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	€	€
Turnover analysed by class of business		
Sales of goods	33,210,062	12,327,701
Sales of services	1,659,510	703,207
	<u>34,869,572</u>	<u>13,030,908</u>
	2017	2016
	€	€
Other significant revenue		
Interest income	39	-
	<u>39</u>	<u>-</u>
	2017	2016
	€	€
Turnover analysed by geographical market		
Asia	<u>34,869,572</u>	<u>13,030,908</u>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Operating profit

	2017	2016
	€	€
Operating profit for the period is stated after charging/(crediting):		
Exchange losses/(gains)	26,141	(25,487)
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	8,000
Depreciation of owned tangible fixed assets	5,385	1,778
Cost of stocks recognised as an expense	19,861,993	8,144,808
	<u> </u>	<u> </u>

5 Employees

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

	2017	2016
	Number	Number
Office staff	2	2
Warehouse staff	1	-
	<u> </u>	<u> </u>
	3	2
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	€	€
Wages and salaries	288,346	86,450
Social security costs	27,831	4,191
Pension costs	2,073	-
	<u> </u>	<u> </u>
	318,250	90,641
	<u> </u>	<u> </u>

6 Director's remuneration

	2017	2016
	€	€
Remuneration for qualifying services	127,675	76,792
Company pension contributions to defined contribution schemes	791	-
	<u> </u>	<u> </u>
	128,466	76,792
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 0).

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Interest receivable and similar income

	2017	2016
	€	€
Interest income		
Other interest income	39	-
	<u> </u>	<u> </u>

8 Taxation

	2017	2016
	€	€
Current tax		
UK corporation tax on profits for the current period	2,606,136	593,731
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(34,782)	(9,874)
	<u> </u>	<u> </u>
Total tax charge	<u>2,571,354</u>	<u>583,857</u>

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

	2017	2016
	€	€
Profit before taxation	<u>13,613,293</u>	<u>2,908,684</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	2,620,559	581,737
Tax effect of expenses that are not deductible in determining taxable profit	227	12,705
Effect of change in corporation tax rate	3,527	-
Permanent capital allowances in excess of depreciation	-	(711)
Deferred tax charge	<u>(52,959)</u>	<u>(9,874)</u>
Taxation charge for the period	<u>2,571,354</u>	<u>583,857</u>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Tangible fixed assets

Fixtures, fittings and equipments

	€
Cost	
At 1 January 2017	5,333
Additions	14,448
	<hr/>
At 31 December 2017	19,781
	<hr/>
Depreciation and impairment	
At 1 January 2017	1,778
Depreciation charged in the year	5,385
	<hr/>
At 31 December 2017	7,163
	<hr/>
Carrying amount	
At 31 December 2017	12,618
	<hr/>
At 31 December 2016	3,555
	<hr/>

10 Financial instruments

	2017 €	2016 €
Carrying amount of financial assets		
Debt instruments measured at amortised cost	10,195,160	5,190,578
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	7,420,338	4,231,118
	<hr/>	<hr/>

11 Stocks

	2017 €	2016 €
Finished goods and goods for resale	452,772	898,110
	<hr/>	<hr/>

12 Debtors

	2017 €	2016 €
Amounts falling due within one year:		
Trade debtors	10,189,791	5,175,894
Other debtors	381,657	14,684
Prepayments and accrued income	8,670	8,671
	<hr/>	<hr/>
	10,580,118	5,199,249
Deferred tax asset	36,562	9,874
	<hr/>	<hr/>
	10,616,680	5,209,123
	<hr/>	<hr/>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Creditors: amounts falling due within one year

	2017 €	2016 €
Trade creditors	1,861,348	2,390,479
Amounts due to parent company	350,000	1,750,000
Corporation tax	2,519,918	593,731
Other taxation and social security	19,850	93,635
Accruals and deferred income	5,208,990	90,639
	<u>9,960,106</u>	<u>4,918,484</u>

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2017 €	Assets 2016 €
Balances:		
Accelerated capital allowances	(2,145)	(604)
Other timing differences	38,707	10,478
	<u>36,562</u>	<u>9,874</u>

	2017 €
Movements in the year:	
Liability/(Asset) at 1 January 2017	(9,874)
Credit to profit or loss	(26,688)
Liability/(Asset) at 31 December 2017	<u>(36,562)</u>

The deferred tax asset set out above is expected to reverse in the future and relates to the timing differences for deduction of expenditure for tax.

15 Retirement benefit schemes

	2017 €	2016 €
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,073	-
	<u>2,073</u>	<u>-</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Share capital

	2017	2016
	€	€
Ordinary share capital		
Issued and fully paid		
10,001 Ordinary shares of €1 each	10,001	10,001
	<u>10,001</u>	<u>10,001</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	€	€
Aggregate compensation	139,306	80,792

Transactions with related parties

During the year €2,100,000 (2016: €1,750,000) was charged to the company, by the parent company, in relation to management charges. As at 31 December 2017 the company owed €350,000 (2016: €1,750,000) to the parent company in respect of this charge.

During the year sales of €35,452,550 (2016: €13,030,908) were made to a company under the control of the settlor of the discretionary foundation, Vallean Stiftung, the ultimate controlling party of the company. As at 31 December 2017 €3,017,771 (2016: €5,175,894) was owed to the company relating to these sales. A bad debt provision has been recognised in respect of this balance of €1,667,019 (2016: €nil). This expense is included as part of administration expenses.

18 Events after the reporting date

After the reporting date, the company acquired three subsidiaries based in Asia.

During the reporting period, transactions with these companies included sales of €8,306,155. At the year end, the company was owed €8,306,155 from these companies.

All transactions with these companies during the reporting period were conducted on an arms length basis.

19 Controlling party

The ultimate parent company is Asia Management AG, a company registered in Lichtenstein.

The registered office of Asia Management AG is Landstrasse 40, FL-9495 Triesen, Lichtenstein.

The ultimate controlling party is Vallean Stiftung, a discretionary foundation registered in Lichtenstein.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Cash generated from operations

	2017 €	2016 €
Profit for the year after tax	11,041,939	2,324,827
Adjustments for:		
Taxation charged	2,571,354	583,857
Finance costs	11,293	19,445
Investment income	(39)	-
Depreciation and impairment of tangible fixed assets	5,385	1,778
Movements in working capital:		
Decrease/(increase) in stocks	445,338	(898,110)
(Increase) in debtors	(5,380,869)	(5,199,249)
Increase in creditors	3,115,435	4,324,753
Cash generated from operations	11,809,836	1,157,301