

Company Registration No. 09965414 (England and Wales)

**ASIA INDUSTRIAL UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**ASIA INDUSTRIAL UK LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	M Huxhold A Franz	(Appointed 5 November 2020)
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<b>Company number</b>	09965414
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<b>Registered office</b>	Acre House 11-15 William Road London NW1 3ER United Kingdom
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<b>Auditor</b>	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
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# ASIA INDUSTRIAL UK LIMITED

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# ASIA INDUSTRIAL UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present the strategic report for the year ended 31 December 2019.

#### **Fair review of the business**

Both the level of business and the year end financial position were as expected by the directors given the condition of the markets in which the group operates. The directors do not expect the level of activity to increase next year due to the difficulties present following the Covid 19 pandemic. During the year, the company acquired a new subsidiary based in Poland.

#### **Principal risks and uncertainties**

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

The Covid 19 pandemic also represents a risk to the business given the adverse effect it has had on the business' operations post year end. The pandemic created a lot of uncertainty for the company and group and the directors are uncertain what impact it will have on the group in the long term.

#### **Development and performance**

The group had turnover of €10,490,847 (2018: €25,324,055) and loss before taxation of €1,261,932 (2018: €7,481,132) for the year.

At 31 December 2019 the group had net assets of €6,054,840 (2018: €10,276,772).

#### **Key performance indicators**

In the opinion of the directors the only Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business is gross profit and gross profit margin. For the year to 31 December 2019, the group had gross profit of €3,311,679 (2018: €13,100,482) with a gross profit margin of 32% (2018: 52%).

On behalf of the board

M Huxhold  
Director  
26 April 2021

# ASIA INDUSTRIAL UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their annual report and financial statements for the year ended 31 December 2019.

#### Principal activities

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

#### Results and dividends

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

Ordinary dividends were paid amounting to €3,000,000. The directors do not recommend payment of a further dividend.

#### Directors

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

M Huxhold

A Franz

(Appointed 5 November 2020)

#### Post reporting date events

The directors have considered the effect of the Covid-19 pandemic, that spread throughout the world during 2020 and 2021, on the group and company's activities. This pandemic has caused significant disruption to the group and company's business prior to the date of approval of these financial statements, due to the international nature of the group. The group contributes to infrastructure projects with the end customers being Governments. The group has found that these projects have been paused or delayed as a result of the Covid-19 pandemic which has resulted in significantly reduced turnover for the company and group since the year end. The extent and financial effect of the disruption in the long term remains uncertain.

#### Auditor

The auditor, HW Fisher LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### 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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

M Huxhold

Director

26 April 2021

## **ASIA INDUSTRIAL UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors are responsible 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 MEMBERS OF ASIA INDUSTRIAL UK LIMITED

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#### Opinion

We have audited the financial statements of Asia Industrial UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 December 2019 and of the group's loss 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 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. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **ASIA INDUSTRIAL UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ASIA INDUSTRIAL UK LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 parent 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'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: <https://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 HW Fisher LLP**

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

26 April 2021



# ASIA INDUSTRIAL UK LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	2018 €
<b>Turnover</b>	<b>3</b>	10,490,847	25,324,055
Cost of sales		(7,179,168)	(12,223,573)
<b>Gross profit</b>		3,311,679	13,100,482
Administrative expenses		(4,593,573)	(6,013,390)
Other operating (expenses)/income		(19,187)	400,482
<b>Operating (loss)/profit</b>	<b>4</b>	(1,301,081)	7,487,574
Interest receivable and similar income	<b>8</b>	2,712	98
Interest payable and similar expenses	<b>9</b>	(16,209)	(5,067)
Unrealised profits/(losses) on listed investments	<b>10</b>	52,646	(1,473)
<b>(Loss)/profit before taxation</b>		(1,261,932)	7,481,132
Tax on (loss)/profit	<b>11</b>	41,049	(980,623)
<b>(Loss)/profit for the financial year</b>		(1,220,883)	6,500,509

(Loss)/profit for the financial year is all attributable to the owner of the parent company.

## ASIA INDUSTRIAL UK LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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	2019 €	2018 €
(Loss)/profit for the year	(1,220,883)	6,500,509
<b>Other comprehensive income</b>		
Currency translation differences	(1,049)	(23,737)
<b>Total comprehensive income for the year</b>	<u>(1,221,932)</u>	<u>6,476,772</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ASIA INDUSTRIAL UK LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Fixed assets</b>					
Goodwill	14	1,389,165		-	
Other intangible assets	14	-		5,835	
Total intangible assets		1,389,165		5,835	
Tangible assets	15	117,976		47,326	
Investments	16	1,051,180		998,534	
		2,558,321		1,051,695	
<b>Current assets</b>					
Stocks	19	529,461		1,212,639	
Debtors	20	2,881,123		8,063,570	
Cash at bank and in hand		3,328,760		6,907,977	
		6,839,344		16,184,186	
<b>Creditors: amounts falling due within one year</b>	21	(3,342,825)		(6,957,447)	
<b>Net current assets</b>		3,496,519		9,226,739	
<b>Total assets less current liabilities</b>		6,054,840		10,278,434	
<b>Provisions for liabilities</b>	22	-		(1,662)	
<b>Net assets</b>		6,054,840		10,276,772	
<b>Capital and reserves</b>					
Called up share capital	24	10,001		10,001	
Group reconstruction reserve		1,067		1,067	
Profit and loss reserves		6,043,772		10,265,704	
<b>Total equity</b>		6,054,840		10,276,772	

The financial statements were approved by the board of directors and authorised for issue on 26 April 2021 and are signed on its behalf by:

M Huxhold  
Director

# ASIA INDUSTRIAL UK LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Fixed assets</b>					
Tangible assets	15		11,297		13,497
Investments	16		3,336,758		1,363,333
			<u>3,348,055</u>		<u>1,376,830</u>
<b>Current assets</b>					
Stocks	19	253,048		496,095	
Debtors	20	3,167,799		7,915,074	
Cash at bank and in hand		1,069,076		4,816,909	
		<u>4,489,923</u>		<u>13,228,078</u>	
<b>Creditors: amounts falling due within one year</b>	21	(3,328,718)		(6,846,530)	
<b>Net current assets</b>			<u>1,161,205</u>		<u>6,381,548</u>
<b>Total assets less current liabilities</b>			<u>4,509,270</u>		<u>7,758,378</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	22	-		1,662	
		<u>-</u>	<u>-</u>	<u>1,662</u>	<u>(1,662)</u>
<b>Net assets</b>			<u><u>4,509,270</u></u>		<u><u>7,756,716</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		10,001		10,001
Profit and loss reserves			4,499,259		7,746,715
<b>Total equity</b>			<u><u>4,509,270</u></u>		<u><u>7,756,716</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was €247,446 (2018 - €2,379,949 profit).

The financial statements were approved by the board of directors and authorised for issue on 26 April 2021 and are signed on its behalf by:

M Huxhold  
Director

Company Registration No. 09965414

## ASIA INDUSTRIAL UK LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Group reconstruction reserve	Profit and loss reserves	Total
	Notes	€	€	€	€
<b>Balance at 1 January 2018</b>		10,001	1,067	11,788,932	11,800,000
<b>Year ended 31 December 2018:</b>					
Profit for the year		-	-	6,500,509	6,500,509
Other comprehensive income:					
Currency translation differences		-	-	(23,737)	(23,737)
Total comprehensive income for the year		-	-	6,476,772	6,476,772
Dividends	12	-	-	(8,000,000)	(8,000,000)
<b>Balance at 31 December 2018</b>		10,001	1,067	10,265,704	10,276,772
<b>Year ended 31 December 2019:</b>					
Loss for the year		-	-	(1,220,883)	(1,220,883)
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	-	(1,049)	(1,049)
Total comprehensive income for the year		-	-	(1,221,932)	(1,221,932)
Dividends	12	-	-	(3,000,000)	(3,000,000)
<b>Balance at 31 December 2019</b>		10,001	1,067	6,043,772	6,054,840

Group reconstruction reserve: This is created from the group adopting merger accounting principles and represents the share capital of LMAA International Limited. For further details see note 1.2.

# ASIA INDUSTRIAL UK LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	€	€	€
Balance at 1 January 2018		10,001	13,366,766	13,376,767
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	2,379,949	2,379,949
Dividends	12	-	(8,000,000)	(8,000,000)
Balance at 31 December 2018		10,001	7,746,715	7,756,716
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(247,446)	(247,446)
Dividends	12	-	(3,000,000)	(3,000,000)
Balance at 31 December 2019		10,001	4,499,269	4,509,270

# ASIA INDUSTRIAL UK LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	1,869,010		6,766,449	
Interest paid		(16,209)		(5,067)	
Income taxes paid		(528,529)		(3,483,058)	
<b>Net cash inflow from operating activities</b>		<b>1,324,272</b>		<b>3,278,324</b>	
<b>Investing activities</b>					
Purchase of business		(1,809,074)		-	
Purchase of tangible fixed assets		(89,490)		(12,447)	
Purchase of fixed asset investments		-		(1,000,007)	
Interest received		2,712		98	
<b>Net cash used in investing activities</b>		<b>(1,895,852)</b>		<b>(1,012,356)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(3,000,000)		(8,000,000)	
<b>Net cash used in financing activities</b>		<b>(3,000,000)</b>		<b>(8,000,000)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(3,571,580)</b>		<b>(5,734,032)</b>	
Cash and cash equivalents at beginning of year		6,907,977		12,664,930	
Effect of foreign exchange rates		(7,637)		(22,921)	
<b>Cash and cash equivalents at end of year</b>		<b>3,328,760</b>		<b>6,907,977</b>	

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 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, NW1 3ER, United Kingdom.

The group consists of Asia Industrial UK Limited and all of its subsidiaries.

#### 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Asia Industrial UK Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

The transfer on the 29 January 2018 of the group headed by new subsidiary LMAA International Limited from the holding company, Asia Management AG, has been accounted for as a group reconstruction using the principles of merger accounting. Under those principles the assets and liabilities of LMAA International Limited have been reflected at their previous book values. The income, expenditure and cash flows of the LMAA International Limited group since its incorporation on 13 July 2017 have been included in the group accounts as if the LMAA group had always been part of the Asia International group. A merger reserve has been recognised representing the difference between the consideration paid and the share capital of LMAA International Limited at the acquisition date.

On 12 July 2019, Asia Industrial UK Limited acquired control over 100% of the share capital of Q.D.G Spolka. See note 24 for further details regarding the acquisition of this entity. The income, expenditure and cash flows of Q.D.G Spolka are included within the group accounts from the date of acquisition until the year ended 31 December 2019.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group. The transactions of foreign entities being consolidated have been translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the group statement of comprehensive income.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.



## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

At the time of approving the financial statements, the directors have considered the effect of the Covid-19 pandemic as disclosed in note 26. The pandemic has caused significant disruption to the supply lines of the group; however following adjustments to comply with Covid-19 related protocols the group has been able to continue operations albeit at a significantly reduced level. The directors consider that further national lockdowns may cause disruption to the business. The directors are confident that through management of existing cash reserves, the company and group will be able to continue in operation for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.4 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Negative goodwill represents the excess of the fair value of the net assets acquired over the cost of the acquisition. It is initially recognised as a liability at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Negative goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life ending 31 December 2018. Amortisation is recognised in the profit and loss account as other operating income.

##### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	33.33% straight line
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##### 1.7 Tangible fixed assets

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

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

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

Freehold land and buildings	10 - 20% straight line
Plant and equipment	20% straight line
Fixtures and fittings	33.33% Straight line

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 recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

#### 1.10 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. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash at bank and in hand

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

#### 1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors and loans from fellow group companies that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### 1.13 Equity instruments

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

#### 1.14 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 year. 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### *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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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 if, and only if, there is 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.

##### 1.15 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

##### 1.16 Retirement benefits

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

##### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### 1.18 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 group's accounting policies, the directors are 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.

##### **Key sources of estimation uncertainty**

###### *Warranty provision*

Warranties are provided for 12 months, 24 months and 36 months depending on the product. The directors previously estimated the warranty accrual at 1.75% of the parent company sales value during the year. Based on recent experiences, the directors have revised the estimate to 1% of the parent company sales during the year. At the year ended 31 December 2019 the warranty provision totalled €180,068 (2018: €554,920), representing a movement of €374,852.

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3 Turnover and other revenue

	2019	2018
	€	€
<b>Turnover analysed by class of business</b>		
Sale of goods	10,490,847	25,324,055

	2019	2018
	€	€
<b>Turnover analysed by geographical market</b>		
Asia	9,705,782	25,260,325
Europe	785,065	63,730
	10,490,847	25,324,055

#### 4 Operating (loss)/profit

	2019	2018
	€	€
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(11,046)	44,338
Depreciation of owned tangible fixed assets	70,734	35,825
Impairment of owned tangible fixed assets	-	43,264
Loss on disposal of tangible fixed assets	2,160	4,076
Amortisation of intangible assets	74,572	(341,808)
Operating lease charges	80,672	362,003

#### 5 Auditor's remuneration

	2019	2018
	€	€
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	35,000	25,000
Audit of the financial statements of the company's subsidiaries	4,009	3,907
	39,009	28,907

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Office staff	32	21	2	2
Warehouse staff	41	2	2	2
Total	73	23	4	4

Their aggregate remuneration comprised:

	Group 2019 €	2018 €	Company 2019 €	2018 €
Wages and salaries	1,168,588	1,314,421	336,399	223,747
Social security costs	96,318	51,593	41,461	42,325
Pension costs	59,625	10,602	8,616	6,320
	1,324,531	1,376,616	386,476	272,392

### 7 Directors' remuneration

	2019 €	2018 €
Remuneration for qualifying services	155,726	131,051
Company pension contributions to defined contribution schemes	6,172	4,238
	161,898	135,289

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 8 Interest receivable and similar income

	2019 €	2018 €
Interest income		
Other interest income	2,712	98

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
		<b>€</b>	<b>€</b>
	Interest payable to group undertakings	-	921
	Other interest on financial liabilities	-	(204)
	Other interest	16,209	4,350
		<u>16,209</u>	<u>5,067</u>
	Total finance costs	<u>16,209</u>	<u>5,067</u>
<b>10</b>	<b>Fair value gains/(losses)</b>	<b>2019</b>	<b>2018</b>
		<b>€</b>	<b>€</b>
	<b>Fair value gains/(losses) on financial instruments</b>		
	Change in value of financial assets held at fair value through profit or loss	52,646	(1,473)
		<u>52,646</u>	<u>(1,473)</u>
<b>11</b>	<b>Taxation</b>	<b>2019</b>	<b>2018</b>
		<b>€</b>	<b>€</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	(42,504)	549,766
	Foreign current tax on profits for the current period	3,117	392,633
		<u>(39,387)</u>	<u>942,399</u>
	Total current tax	<u>(39,387)</u>	<u>942,399</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(1,662)	38,224
		<u>(1,662)</u>	<u>38,224</u>
	Total tax (credit)/charge	<u>(41,049)</u>	<u>980,623</u>

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 11 Taxation

(Continued)

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

	2019 €	2018 €
(Loss)/profit before taxation	(1,261,932)	7,481,132
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(239,767)	1,421,415
Tax effect of expenses that are not deductible in determining taxable profit	26,352	48,986
Tax effect of income not taxable in determining taxable profit	-	(280)
Gains not taxable	(7,687)	-
Unutilised tax losses carried forward	183,719	-
Effect of change in corporation tax rate	-	(3,971)
Depreciation on assets not qualifying for tax allowances	4,799	312
Amortisation on assets not qualifying for tax allowances	(13,037)	(66,303)
Effect of overseas tax rates	-	93,596
Foreign exchange differences	-	(18,595)
Elimination of intra-group profits	4,572	(494,537)
Taxation (credit)/charge	(41,049)	980,623

#### 12 Dividends

	2019 €	2018 €
Recognised as distributions to equity holders:		
Interim paid	3,000,000	8,000,000

#### 13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 €	2018 €
In respect of:			
Property, plant and equipment	15	-	43,264
Recognised in:			
Administrative expenses		-	43,264

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.



# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Intangible fixed assets

Group	Goodwill	Negative goodwill	Software	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2019	-	(697,930)	32,765	(665,165)
Additions	1,457,864	-	-	1,457,864
Disposals	-	697,930	-	697,930
Exchange adjustments	-	-	221	221
At 31 December 2019	1,457,864	-	32,986	1,490,850
<b>Amortisation and impairment</b>				
At 1 January 2019	-	(697,930)	26,930	(671,000)
Amortisation charged for the year	68,699	-	5,873	74,572
Disposals	-	697,930	-	697,930
Exchange adjustments	-	-	183	183
At 31 December 2019	68,699	-	32,986	101,685
<b>Carrying amount</b>				
At 31 December 2019	1,389,165	-	-	1,389,165
At 31 December 2018	-	-	5,835	5,835

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2019	-	-	139,167	139,167
Additions	-	-	89,490	89,490
Business combinations	29,803	24,040	-	53,843
Disposals	-	-	(3,675)	(3,675)
Exchange adjustments	-	-	726	726
At 31 December 2019	29,803	24,040	225,708	279,551
<b>Depreciation and impairment</b>				
At 1 January 2019	-	-	91,841	91,841
Depreciation charged in the year	-	-	70,734	70,734
Eliminated in respect of disposals	-	-	(1,515)	(1,515)
Exchange adjustments	-	-	515	515
At 31 December 2019	-	-	161,575	161,575
<b>Carrying amount</b>				
At 31 December 2019	29,803	24,040	64,133	117,976
At 31 December 2018	-	-	47,326	47,326

Company	Fixtures and fittings
	€
<b>Cost</b>	
At 1 January 2019	28,224
Additions	4,454
At 31 December 2019	32,678
<b>Depreciation and impairment</b>	
At 1 January 2019	14,727
Depreciation charged in the year	6,654
At 31 December 2019	21,381
<b>Carrying amount</b>	
At 31 December 2019	11,297
At 31 December 2018	13,497

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 16 Fixed asset investments

	Notes	Group 2019 €	2018 €	Company 2019 €	2018 €
Investments in subsidiaries	17	-	-	2,285,588	364,799
Listed investments		1,042,284	876,858	1,042,284	876,858
Cash at investment managers		8,896	121,676	8,896	121,676
		<u>1,051,180</u>	<u>998,534</u>	<u>3,336,768</u>	<u>1,363,333</u>
<b>Listed investments included above:</b>					
Listed investments carrying amount		<u>1,042,284</u>	<u>876,858</u>	<u>1,042,284</u>	<u>876,858</u>

### Movements in fixed asset investments

Group	Listed investments	Cash at investment managers	Total
	€	€	€
<b>Cost or valuation</b>			
At 1 January 2019	876,858	121,676	998,534
Additions	1,189,702	-	1,189,702
Valuation changes	52,646	-	52,646
Disposals	(1,076,922)	(112,780)	(1,189,702)
At 31 December 2019	<u>1,042,284</u>	<u>8,896</u>	<u>1,051,180</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>1,042,284</u>	<u>8,896</u>	<u>1,051,180</u>
At 31 December 2018	<u>876,858</u>	<u>121,676</u>	<u>998,534</u>

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 16 Fixed asset investments (Continued)

##### Movements in fixed asset investments

Company	Shares in group undertakings	Listed investments	Cash at investment managers	Total
	€	€	€	€
<b>Cost or valuation</b>				
At 1 January 2019	364,799	876,858	121,676	1,363,333
Additions	1,920,789	1,189,702	-	3,110,491
Valuation changes	-	52,646	-	52,646
Disposals	-	(1,076,922)	(112,780)	(1,189,702)
At 31 December 2019	2,285,588	1,042,284	8,896	3,336,768
<b>Carrying amount</b>				
At 31 December 2019	2,285,588	1,042,284	8,896	3,336,768
At 31 December 2018	364,799	876,858	121,676	1,363,333

#### 17 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
LMAA International Limited	1	Ordinary	100.00	-
Qingdao Asia Industrial Machinery Manufacturing Co Limited	2	Ordinary	100.00	-
Shanghai Asia Industrial Trading Limited	3	Ordinary	100.00	-
Shanghai Kai Ji Vacuum Technology Co Limited	4	Ordinary	0	100.00
Q.D.G. Spolka *	5	Ordinary	100.00	-

1. Ground Floor 5-13 New Street, Sai Ying Pun, Hong Kong

2. East of No.1 Road, Kiaochow Bay Industrial Park, Jiaozhou City, Qingdao, Shandong Province, China

3. Room 1631, Unit 1604-06, 16/F, Building B, Baodi Plaza, No.688, Dalian Road, Yangpu District, Shanghai, China

4. Room 04-108, WeWork Yunnan Road, Huangpu District, Shanghai 200021, China

5. 17-18, Wiejska, M.St Warsaw, Warsaw, 00-480, Poland

\* The company has control of the subsidiary through options to acquire 100% of the share capital exercisable on demand.

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Financial instruments

	Group 2019 €	2018 €	Company 2019 €	2018 €
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	1,042,284	876,858	1,042,284	876,858

### 19 Stocks

	Group 2019 €	2018 €	Company 2019 €	2018 €
Raw materials and consumables	129,756	-	-	-
Finished goods and goods for resale	499,705	1,212,639	253,048	496,095
	629,461	1,212,639	253,048	496,095

### 20 Debtors

	Group 2019 €	2018 €	Company 2019 €	2018 €
<b>Amounts falling due within one year:</b>				
Trade debtors	1,844,046	7,936,667	1,618,394	6,254,641
Corporation tax recoverable	165,178	-	165,178	-
Amounts owed by group undertakings	-	-	243,714	1,612,368
Other debtors	636,899	90,629	506,501	35,720
Prepayments and accrued income	92,603	36,274	67,023	12,345
	2,738,726	8,063,570	2,600,810	7,915,074
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	566,989	-
Other debtors	142,397	-	-	-
	142,397	-	566,989	-
<b>Total debtors</b>	<b>2,881,123</b>	<b>8,063,570</b>	<b>3,167,799</b>	<b>7,915,074</b>

# ASIA INDUSTRIAL UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 21 Creditors: amounts falling due within one year

	Group 2019 €	2018 €	Company 2019 €	2018 €
Trade creditors	2,749,800	2,160,591	2,628,361	2,121,578
Amounts owed to group undertakings	70,514	-	392,330	321,816
Corporation tax payable	5,842	408,580	-	319,655
Other taxation and social security	67,997	17,625	26,815	17,625
Other creditors	130,587	59,733	1,935	6,685
Accruals and deferred income	318,085	4,310,918	279,277	4,059,171
	<u>3,342,825</u>	<u>6,957,447</u>	<u>3,328,718</u>	<u>6,846,530</u>

Within amounts owed to group undertakings are amounts totalling €70,514 owed to the ultimate parent entity.

### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2019 €	Liabilities 2018 €
Accelerated capital allowances	-	1,662
	<u>-</u>	<u>1,662</u>
Company	Liabilities 2019 €	Liabilities 2018 €
Accelerated capital allowances	-	1,662
	<u>-</u>	<u>1,662</u>
	Group 2019 €	Company 2019 €
<b>Movements in the year:</b>		
Liability at 1 January 2019	1,662	1,662
Credit to profit or loss	(1,662)	(1,662)
	<u>-</u>	<u>-</u>
Liability at 31 December 2019	<u>-</u>	<u>-</u>

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 23 Retirement benefit schemes

	2019	2018
Defined contribution schemes	€	€
Charge to profit or loss in respect of defined contribution schemes	59,625	10,602

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 24 Share capital

	Group and company	
	2019	2018
Ordinary share capital	€	€
Issued and fully paid		
10,001 Ordinary shares of €1 each	10,001	10,001

#### 25 Acquisition of a business

On 12 July 2019 the group acquired control over 100% of the issued capital of Q.D.G. Spolka. At the year end the company has control of the subsidiary through options to acquire 100% of the share capital exercisable on demand.

	Book Value	Adjustments	Fair Value
	€	€	€
<b>Net assets acquired</b>			
Fixed assets	45,889	-	45,889
Inventory	285,731	-	285,731
Current debtors	244,406	-	244,406
Creditors due in one year	(224,816)	-	(224,816)
Cash and cash equivalents	111,715	-	111,715
Total identifiable net assets	462,925	-	462,925
Goodwill			1,457,864
Total consideration			1,920,789
The consideration was satisfied by:			€
Cash			1,920,789
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			€
Turnover			714,831
Profit after tax			896

## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 25 Acquisition of a business

(Continued)

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the distribution of the company's products in new markets and the future operating synergies from the combination.

#### 26 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 €	2018 €	Company 2019 €	2018 €
Within one year	59,009	125,390	46,060	24,995
Between two and five years	6,100	12,949	6,100	-
	<u>65,109</u>	<u>138,339</u>	<u>52,160</u>	<u>24,995</u>

#### 27 Events after the reporting date

The directors have considered the effect of the Covid-19 pandemic, that spread throughout the world during 2020 and 2021, on the group and company's activities. This pandemic has caused significant disruption to the group and company's business prior to the date of approval of these financial statements, due to the international nature of the group. The group contributes to infrastructure projects with the end customers being Governments. The group has found that these projects have been paused or delayed as a result of the Covid-19 pandemic which has resulted in significantly reduced turnover for the company and group since the year end. The extent and financial effect of the disruption in the long term remains uncertain.

#### 28 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 €	2018 €
Aggregate compensation	<u>331,812</u>	<u>287,539</u>

#### 29 Controlling party

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

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

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



## ASIA INDUSTRIAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 30 Cash generated from group operations

	2019 €	2018 €
(Loss)/profit for the year after tax	(1,220,883)	6,500,509
Adjustments for:		
Taxation (credited)/charged	(41,049)	980,623
Finance costs	16,209	5,067
Investment income	(2,712)	(98)
Loss on disposal of tangible fixed assets	2,160	4,076
Amortisation and impairment of intangible assets	74,572	(341,808)
Depreciation and impairment of tangible fixed assets	70,734	79,089
Fair value (profits)/losses on investments	(52,646)	1,473
Movements in working capital:		
Decrease in stocks	868,909	2,390,799
Decrease/(increase) in debtors	5,591,621	(354,479)
(Decrease) in creditors	(3,437,905)	(2,498,802)
<b>Cash generated from operations</b>	<b>1,869,010</b>	<b>6,766,449</b>

#### 31 Analysis of changes in net funds - group

	1 January 2019 €	Cash flows €	Exchange rate movements €	31 December 2019 €
Cash at bank and in hand	6,907,977	(3,571,580)	(7,637)	3,328,760

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.