

Company Registration No. 09965414 (England and Wales)

ASIA INDUSTRIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ASIA INDUSTRIAL UK LIMITED

COMPANY INFORMATION

Directors	M Huxhold	
	A Franz	(Appointed 5 November 2020)
	S Moore	(Appointed 1 June 2021)
Company number	09965414	
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom	
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom	

ASIA INDUSTRIAL UK LIMITED

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ASIA INDUSTRIAL UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The business activity and the year end financial position of the Group were in line with the directors expectations given the reduction in demand for highspeed trains in China. The fall in demand which had began prior to the Covid-19 pandemic was exacerbated by the pandemic.

The directors do not expect the demand for highspeed trains to return to previous levels and hence do not expect the level of activity to increase next year.

Instead of operating as a supplier for new highspeed trains the Group is now working to access the maintenance market. The Group's liquidity is robust and sufficient to sustain future activities.

Principal risks and uncertainties

The principal risks to the Group include:

The reduction in demand for high speed trains. This presents a strategic threat to the groups operations requiring a change of focus as detailed above.

Reliance on a small number of customers. The directors consider the relationship between the Group and its customers to be strong.

The Covid-19 pandemic. This had an adverse effect it has had on business operations post year end. The pandemic created a lot of uncertainty for the Group and the directors are uncertain what impact it will have in the long term.

Development and performance

The Groups performance in the period was slightly less than the expectation of the directors resulting from the reduced demand for highspeed trains as discussed above.

The Group had turnover of €5,016,698 (2019: €10,490,847) and loss before taxation of €662,597 (2019: €1,261,932) for the year.

At 31 December 2020 the Group had net assets of €5,449,223 (2019: €6,054,840).

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 2020, the Group had gross profit of €2,018,656 (2019: €3,311,679) with a gross profit margin of 40% (2019: 32%).

On behalf of the board

M Huxhold

Director

2 March 2022

ASIA INDUSTRIAL UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company and group is that of producing, sourcing and supplying sanitary equipment for trains.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. 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

S Moore

(Appointed 5 November 2020)

(Appointed 1 June 2021)

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

2 March 2022

ASIA INDUSTRIAL UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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 2020 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 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 2020 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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.

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

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

ASIA INDUSTRIAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ASIA INDUSTRIAL UK LIMITED

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates in particular in relation to stock impairment and provisions, recoverability of debtors and review of investments and goodwill for impairment.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party transactions.
- Testing all material consolidation adjustments

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities is available 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

2 March 2022

ASIA INDUSTRIAL UK LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 €	2019 €
Turnover	3	5,016,698	10,490,847
Cost of sales		(2,998,042)	(7,179,168)
Gross profit		2,018,656	3,311,679
Administrative expenses		(2,714,429)	(4,593,573)
Other operating (expenses)/income		23,499	(19,187)
Operating loss	4	(672,274)	(1,301,081)
Interest receivable and similar income	8	18,979	2,712
Interest payable and similar expenses	9	(10,373)	(16,209)
Amounts written off investments	10	1,071	52,646
Loss before taxation		(662,597)	(1,261,932)
Tax on loss	11	118,926	41,049
Loss for the financial year		(543,671)	(1,220,883)

Loss 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 2020

	2020	2019
	€	€
Loss for the year	(543,671)	(1,220,883)
Other comprehensive income		
Currency translation differences	(61,945)	(1,049)
Total comprehensive income for the year	<u>(605,617)</u>	<u>(1,221,932)</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 2020

	Notes	2020 €	€	2019 €	€
Fixed assets					
Goodwill	13		1,386,229		1,389,165
Tangible assets	14		63,257		117,976
Investments	15		1,048,273		1,051,180
			<u>2,497,759</u>		<u>2,558,321</u>
Current assets					
Stocks	18	854,548		629,461	
Debtors	19	1,755,603		2,881,123	
Cash at bank and in hand		3,191,269		3,328,760	
		<u>5,801,420</u>		<u>6,839,344</u>	
Creditors: amounts falling due within one year	20	<u>(2,759,497)</u>		<u>(3,342,825)</u>	
Net current assets			<u>3,041,923</u>		<u>3,496,519</u>
Total assets less current liabilities			<u>5,539,682</u>		<u>6,054,840</u>
Creditors: amounts falling due after more than one year	21		<u>(90,459)</u>		<u>-</u>
Net assets			<u><u>5,449,223</u></u>		<u><u>6,054,840</u></u>
Capital and reserves					
Called up share capital	23		10,001		10,001
Group reconstruction reserve			1,067		1,067
Profit and loss reserves			5,438,155		6,043,772
Total equity			<u><u>5,449,223</u></u>		<u><u>6,054,840</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 March 2022 and are signed on its behalf by:

M Huxhold
Director

ASIA INDUSTRIAL UK LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 €	€	2019 €	€
Fixed assets					
Tangible assets	14		7,720		11,297
Investments	15		3,490,815		3,336,768
			<u>3,498,535</u>		<u>3,348,065</u>
Current assets					
Stocks	18	398,821		253,048	
Debtors	19	1,318,038		3,167,799	
Cash at bank and in hand		1,146,168		1,069,076	
		<u>2,863,027</u>		<u>4,489,923</u>	
Creditors: amounts falling due within one year	20	<u>(2,435,408)</u>		<u>(3,328,718)</u>	
Net current assets			427,619		1,161,205
Total assets less current liabilities			<u>3,926,154</u>		<u>4,509,270</u>
Capital and reserves					
Called up share capital	23	10,001		10,001	
Profit and loss reserves		3,916,153		4,499,269	
Total equity		<u>3,926,154</u>		<u>4,509,270</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 €583,116 (2019 - €247,446 loss).

The financial statements were approved by the board of directors and authorised for issue on 2 March 2022 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 2020

	Share capital	Group reconstruction reserve	Profit and loss reserves	Total
Notes	€	€	€	€
Balance at 1 January 2019	10,001	1,067	10,265,704	10,276,772
Year ended 31 December 2019:				
Loss for the year	-	-	(1,220,883)	(1,220,883)
Other comprehensive income:				
Currency translation differences	-	-	(1,049)	(1,049)
Total comprehensive income for the year	-	-	(1,221,932)	(1,221,932)
Dividends	12	-	(3,000,000)	(3,000,000)
Balance at 31 December 2019	10,001	1,067	6,043,772	6,054,840
Year ended 31 December 2020:				
Loss for the year	-	-	(543,671)	(543,671)
Other comprehensive income:				
Currency translation differences on overseas subsidiaries	-	-	(61,946)	(61,946)
Total comprehensive income for the year	-	-	(605,617)	(605,617)
Balance at 31 December 2020	10,001	1,067	5,438,155	5,449,223

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 2020

	Notes	Share capital €	Profit and loss reserves €	Total €
Balance at 1 January 2019		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
Year ended 31 December 2020:				
Loss and total comprehensive income for the year		-	(583,116)	(583,116)
Balance at 31 December 2020		10,001	3,916,153	3,926,154

ASIA INDUSTRIAL UK LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 €	€	2019 €	€
Cash flows from operating activities					
Cash generated from operations	28		102,227		1,869,010
Interest paid			(10,373)		(16,209)
Income taxes paid			(103,820)		(528,529)
Net cash (outflow)/inflow from operating activities			(11,966)		1,324,272
Investing activities					
Purchase of business		(156,954)		(1,809,074)	
Purchase of tangible fixed assets		(15,516)		(89,490)	
Interest received		18,979		2,712	
Net cash used in investing activities			(153,491)		(1,895,852)
Financing activities					
Proceeds from government grants		20,240		-	
Proceeds of new loans		128,208		-	
Dividends paid to equity shareholders		-		(3,000,000)	
Net cash generated from/(used in) financing activities			148,448		(3,000,000)
Net decrease in cash and cash equivalents			(17,009)		(3,571,580)
Cash and cash equivalents at beginning of year			3,328,760		6,907,977
Effect of foreign exchange rates			(120,482)		(7,637)
Cash and cash equivalents at end of year			3,191,269		3,328,760

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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).

There was a group reconstruction on the 29 January 2018 using the principles of merger accounting. A merger reserve has been recognised representing the difference between the consideration paid and the share capital of the new subsidiary at the acquisition date.

Since 12 July 2019, Asia Industrial UK Limited acquired control over 100% of the share capital of Q.D.G Spolka. 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 2020.

All financial statements are made up to 31 December 2020. 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 2020

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. 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.

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 2020

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 2020

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 2020

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 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.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Review for impairment of Goodwill

The directors have considered the carrying value of goodwill at the year end and assessed whether there are any indications of impairment. Given the strong performance of the relevant entity during the year 2020 and its continued growth after the period they have decided no impairment is required.

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% of the parent company sales value during the year. At the year ended 31 December 2020 the directors consider that no warranty provision is required because the liability has been passed onto the supplier. (2019: €180,068)

Stock Provision

Stock is provided for when the cost exceeds the net realisable value. Stock is reviewed on a line by line basis to determine if there are any indicators of impairment. The age and condition of stock combined with sales trends during and after the period are considered. At the year ended 31 December 2020 the stock provision totalled €346,802 (2019: €193,900), representing a movement of €152,902 (2019: €193,900).

3 Turnover and other revenue

	2020	2019
	€	€
Turnover analysed by class of business		
Sale of goods	5,016,698	10,490,847
	<u>5,016,698</u>	<u>10,490,847</u>
	2020	2019
	€	€
Grants received	20,240	-
	<u>20,240</u>	<u>-</u>
	2020	2019
	€	€
Turnover analysed by geographical market		
Asia	2,486,740	9,705,782
Europe	2,529,958	785,065
	<u>5,016,698</u>	<u>10,490,847</u>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating loss

	2020	2019
	€	€
Operating loss 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	(17,037)	(11,046)
Government grants	(20,240)	-
Depreciation of owned tangible fixed assets	56,418	70,734
(Profit)/loss on disposal of tangible fixed assets	-	2,160
Amortisation of intangible assets	163,225	74,572
Operating lease charges	276,943	348,811

5 Auditor's remuneration

	2020	2019
	€	€
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	39,015	35,000
Audit of the financial statements of the company's subsidiaries	3,671	4,009
	42,686	39,009

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office staff	19	32	2	2
Warehouse staff	45	41	2	2
Total	64	73	4	4

Their aggregate remuneration comprised:

	Group 2020 €	2019 €	Company 2020 €	2019 €
Wages and salaries	1,293,529	1,168,588	306,209	336,399
Social security costs	175,217	96,318	34,169	41,461
Pension costs	7,121	59,625	7,121	8,616
	1,475,867	1,324,531	347,499	386,476

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7	Directors' remuneration	2020	2019
		€	€
	Remuneration for qualifying services	148,842	193,701
	Company pension contributions to defined contribution schemes	6,445	6,172
		<u>155,287</u>	<u>199,873</u>
		<u><u>155,287</u></u>	<u><u>199,873</u></u>
8	Interest receivable and similar income	2020	2019
		€	€
	Interest income		
	Interest on bank deposits	277	-
	Other interest income	18,702	2,712
		<u>18,979</u>	<u>2,712</u>
	Total income	<u><u>18,979</u></u>	<u><u>2,712</u></u>
9	Interest payable and similar expenses	2020	2019
		€	€
	Other interest	10,373	16,209
		<u>10,373</u>	<u>16,209</u>
10	Fair value gains/(losses)	2020	2019
		€	€
	Fair value gains/(losses) on financial instruments		
	Change in value of financial assets held at fair value through profit or loss	1,071	52,646
		<u>1,071</u>	<u>52,646</u>
11	Taxation	2020	2019
		€	€
	Current tax		
	UK corporation tax on profits for the current period	(140,152)	(42,504)
	Adjustments in respect of prior periods	21,226	-
		<u>(118,926)</u>	<u>(42,504)</u>
	Total UK current tax	<u><u>(118,926)</u></u>	<u><u>(42,504)</u></u>
	Foreign current tax on profits for the current period	-	3,117
		<u>-</u>	<u>3,117</u>
	Total current tax	<u><u>(118,926)</u></u>	<u><u>(39,387)</u></u>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Taxation		(Continued)	
	2020	2019	
	€	€	
Deferred tax			
Origination and reversal of timing differences	-	(1,662)	
	<u></u>	<u></u>	
Total tax credit	(118,926)	(41,049)	
	<u></u>	<u></u>	
The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:			
	2020	2019	
	€	€	
Loss before taxation	(662,597)	(1,261,932)	
	<u></u>	<u></u>	
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(125,893)	(239,767)	
Tax effect of expenses that are not deductible in determining taxable profit	75,554	14,835	
Tax effect of income not taxable in determining taxable profit	(22,011)	-	
Gains not taxable	(109,761)	(7,687)	
Unutilised tax losses carried forward	-	183,719	
Adjustments in respect of prior years	19,338	-	
Permanent capital allowances in excess of depreciation	126	(892)	
Depreciation on assets not qualifying for tax allowances	150	278	
Amortisation on assets not qualifying for tax allowances	31,013	13,037	
Effect of overseas tax rates	(10,029)	-	
Elimination of intra-group profits	22,587	(4,572)	
	<u></u>	<u></u>	
Taxation credit	(118,926)	(41,049)	
	<u></u>	<u></u>	
12 Dividends			
	2020	2019	
	€	€	
Recognised as distributions to equity holders:			
Interim paid	-	3,000,000	
	<u></u>	<u></u>	

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Intangible fixed assets

Group	Goodwill €	Software €	Total €
Cost			
At 1 January 2020	1,457,864	32,986	1,490,850
Additions	156,954	-	156,954
At 31 December 2020	1,614,818	32,986	1,647,804
Amortisation and impairment			
At 1 January 2020	68,699	32,986	101,685
Amortisation charged for the year	163,225	-	163,225
Exchange adjustments	(3,335)	-	(3,335)
At 31 December 2020	228,589	32,986	261,575
Carrying amount			
At 31 December 2020	1,386,229	-	1,386,229
At 31 December 2019	1,389,165	-	1,389,165

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

Goodwill additions relate to additional consideration for the acquisition of a subsidiary undertaking during 2019 for which the conditions were met in 2020 and additional costs incurred on this acquisition.

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	€	€	€	€
Cost				
At 1 January 2020	29,803	24,040	225,708	279,551
Additions	-	15,516	-	15,516
Disposals	-	(8,051)	-	(8,051)
Exchange adjustments	(2,294)	(4,768)	(4,608)	(11,670)
At 31 December 2020	27,509	26,737	221,100	275,346
Depreciation and impairment				
At 1 January 2020	-	-	161,575	161,575
Depreciation charged in the year	1,336	8,988	46,094	56,418
Eliminated in respect of disposals	-	(8,051)	-	(8,051)
Exchange adjustments	(358)	(3,206)	5,711	2,147
At 31 December 2020	978	(2,269)	213,380	212,089
Carrying amount				
At 31 December 2020	26,531	29,006	7,720	63,257
At 31 December 2019	29,803	24,040	64,133	117,976

Company	Fixtures and fittings
	€
Cost	
At 1 January 2020 and 31 December 2020	32,678
Depreciation and impairment	
At 1 January 2020	21,381
Depreciation charged in the year	3,577
At 31 December 2020	24,958
Carrying amount	
At 31 December 2020	7,720
At 31 December 2019	11,297

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments

	Notes	Group 2020 €	2019 €	Company 2020 €	2019 €
Investments in subsidiaries	16	-	-	2,442,542	2,285,588
Listed investments		1,006,799	1,042,284	1,006,799	1,042,284
Cash at investment managers		41,474	8,896	41,474	8,896
		<u>1,048,273</u>	<u>1,051,180</u>	<u>3,490,815</u>	<u>3,336,768</u>
		<u><u>1,048,273</u></u>	<u><u>1,051,180</u></u>	<u><u>3,490,815</u></u>	<u><u>3,336,768</u></u>
Listed investments carrying amount		<u>1,006,799</u>	<u>1,042,284</u>	<u>1,006,799</u>	<u>1,042,284</u>

Movements in fixed asset investments

Group	Listed investments	Cash at investment managers	Total
	€	€	€
Cost or valuation			
At 1 January 2020	1,042,284	8,896	1,051,180
Additions	1,224,209	32,578	1,256,787
Valuation changes	1,071	-	1,071
Disposals	(1,260,765)	-	(1,260,765)
	<u>1,006,799</u>	<u>41,474</u>	<u>1,048,273</u>
Carrying amount			
At 31 December 2020	<u>1,006,799</u>	<u>41,474</u>	<u>1,048,273</u>
	<u><u>1,006,799</u></u>	<u><u>41,474</u></u>	<u><u>1,048,273</u></u>
At 31 December 2019	<u>1,042,284</u>	<u>8,896</u>	<u>1,051,180</u>
	<u><u>1,042,284</u></u>	<u><u>8,896</u></u>	<u><u>1,051,180</u></u>

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in group undertakings	Listed investments	Cash at investment managers	Total
	€	€	€	€
Cost or valuation				
At 1 January 2020	2,285,588	1,042,284	8,896	3,336,768
Additions	156,954	1,224,209	32,578	1,413,741
Valuation changes	-	1,071	-	1,071
Disposals	-	(1,260,765)	-	(1,260,765)
At 31 December 2020	2,442,542	1,006,799	41,474	3,490,815
Carrying amount				
At 31 December 2020	2,442,542	1,006,799	41,474	3,490,815
At 31 December 2019	2,285,588	1,042,284	8,896	3,336,768

Additions in group undertakings relate to additional consideration for the acquisition of a subsidiary undertaking during 2019 for which the conditions were met in 2020 and additional costs incurred on this acquisition.

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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 2020

17 Financial instruments

	Group 2020 €	2019 €	Company 2020 €	2019 €
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	1,006,799	1,042,284	1,006,799	1,042,284

18 Stocks

	Group 2020 €	2019 €	Company 2020 €	2019 €
Raw materials and consumables	233,224	129,756	-	-
Work in progress	109,650	-	-	-
Finished goods and goods for resale	511,674	499,705	398,821	253,048
	854,548	629,461	398,821	253,048

19 Debtors

	Group 2020 €	2019 €	Company 2020 €	2019 €
Amounts falling due within one year:				
Trade debtors	907,092	1,844,046	33,215	1,618,394
Corporation tax recoverable	385,603	165,178	384,882	165,178
Amounts owed by group undertakings	-	-	95,663	243,714
Other debtors	312,194	636,899	211,431	506,501
Prepayments and accrued income	43,175	92,603	22,024	67,023
	1,648,064	2,738,726	747,215	2,600,810
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	570,823	566,989
Other debtors	107,539	142,397	-	-
	107,539	142,397	570,823	566,989
Total debtors	1,755,603	2,881,123	1,318,038	3,167,799

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Creditors: amounts falling due within one year

	Notes	Group 2020 €	2019 €	Company 2020 €	2019 €
Government loans		37,749	-	-	-
Trade creditors		1,949,670	2,749,800	1,815,269	2,628,361
Amounts owed to group undertakings		-	70,514	421,978	392,330
Amounts owed to parent undertaking		31,628	-	-	-
Corporation tax payable		(1,825)	5,842	-	-
Other taxation and social security		165,361	67,997	24,413	26,815
Other creditors		218,965	130,537	101,454	1,935
Accruals and deferred income		357,949	318,085	72,294	279,277
		<u>2,759,497</u>	<u>3,342,825</u>	<u>2,435,408</u>	<u>3,328,718</u>

Within amounts owed to group undertakings are amounts totalling €31,628 (2019: €70,514) owed to the ultimate parent entity.

In 2020 the group has obtained a government Covid subsidy, part of which has been classified as short term debt based on the terms of the contract.

21 Creditors: amounts falling due after more than one year

	Notes	Group 2020 €	2019 €	Company 2020 €	2019 €
Government loans		90,459	-	-	-

In 2020 the group has obtained a government Covid subsidy, part of which has been classified as long term debt based on the terms of the contract.

22 Retirement benefit schemes

	2020 €	2019 €
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,121	59,625

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.

23 Share capital

	2020 Number	2019 Number	2020 €	2019 €
Ordinary share capital Issued and fully paid				
Ordinary shares of €1 each	10,001	10,001	10,001	10,001

ASIA INDUSTRIAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 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 2020 €	2019 €	Company 2020 €	2019 €
Within one year	54,216	59,009	8,620	46,060
Between two and five years	-	6,100	-	6,100
	<u>54,216</u>	<u>65,109</u>	<u>8,620</u>	<u>52,160</u>

25 Events after the reporting date

In April 2021 the Group acquired a 10% share holding in a company registered in China for consideration of €184,167.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 €	2019 €
Aggregate compensation	<u>294,079</u>	<u>331,812</u>

27 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 2020

28 Cash generated from group operations

	2020 €	2019 €
Loss for the year after tax	(543,671)	(1,220,883)
Adjustments for:		
Taxation credited	(116,766)	(41,049)
Finance costs	18,351	16,209
Investment income	(15,629)	(2,712)
(Gain)/loss on disposal of tangible fixed assets	-	2,160
Amortisation and impairment of intangible assets	163,225	74,572
Depreciation and impairment of tangible fixed assets	105,246	70,734
Government grant income	(20,240)	-
Amounts written off investments	(1,071)	(52,646)
Bad debt provision	(559,950)	-
Movements in working capital:		
(Increase)/decrease in stocks	(209,220)	868,909
Decrease in debtors	1,757,565	5,591,621
Decrease in creditors	(475,613)	(3,437,905)
Cash generated from operations	102,227	1,869,010

29 Analysis of changes in net funds - group

	1 January 2020 €	Cash flows €	Exchange rate movements €	31 December 2020 €
Cash at bank and in hand	3,328,760	(146,932)	9,441	3,191,269
Government Loans	-	(128,208)	-	(128,208)
	<u>3,328,760</u>	<u>(275,140)</u>	<u>9,441</u>	<u>3,063,061</u>

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.