

Asymchem Limited

Directors' Report and Financial Statements

Year Ended

31 December 2019

Company Number 10616044

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Asymchem Limited

Company Information

Director	E Hsu
Company secretary	Gravitas Company Secretarial Services Limited
Registered number	10616044
Registered office	5th Floor One New Change London United Kingdom EC4M 9AF
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Asymchem Limited

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Asymchem Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

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

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

Principal activity

The principal activity of the company is sales and business development for the Asymchem group which operates in the pharmaceutical sector.

Directors

The directors who served during the year were:

E Hsu

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

- The Board of Directors, on behalf of the shareholders, has approved the following resolution:

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Directors

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Directors, on behalf of the shareholders

For the Year Ended 31 December 2018

2018-12-31

Agreement Limited

Asymchem Limited

Directors' Report (continued) **For the Year Ended 31 December 2019**

Subsequent events

The rapid emergence of the COVID-19 pandemic has caused significant disruption to many businesses and has had material implications for the wider global economy. Please refer to the matters explained in the going concern note 2.2, which explains the Director's assessment of the impact of COVID-19 on the operations and financial position of the Company. The COVID-19 pandemic was not a condition in existence at the period-end date and therefore it is being regarded as a non-adjusting subsequent event.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **October 12, 2020** and signed on its behalf.



E Hsu
Director

Asymchem Limited

Independent Auditor's report to the members of Asymchem Limited

Opinion

We have audited the financial statements of Asymchem Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position the Statement of Changes in Equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Asymchem Limited

Independent Auditor's report to the members of Asymchem Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Asymchem Limited

Independent Auditor's report to the members of Asymchem Limited (continued)

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.

BDO LLP

Stuart Barnsdall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 27 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Asymchem Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		354,990	314,249
Selling expenses		(285,343)	(248,226)
Administrative expenses		(44,327)	(47,690)
Operating profit		25,320	18,333
Interest receivable and similar income		16	8
Interest payable and similar charges		(2,106)	(2,132)
Profit before tax		23,230	16,209
Tax on profit	6	(4,465)	(3,080)
Profit for the financial year		18,765	13,129

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 13 form part of these financial statements.

Asymchem Limited
Registered number: 10616044

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Current assets					
Debtors	7	85,278		4,639	
Cash and cash equivalents		37,622		102,233	
		<u>122,900</u>		<u>106,872</u>	
Creditors: amounts falling due within one year	8	(80,193)		(82,930)	
Net current assets			42,707		23,942
Net assets			<u>42,707</u>		<u>23,942</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		42,706		23,941
Total Equity			<u>42,707</u>		<u>23,942</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

October 12, 2020



E Hsu
Director

The notes on pages 9 to 13 form part of these financial statements.

Asymchem Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1	23,941	23,942
Comprehensive income for the year			
Profit for the year	-	18,765	18,765
Total comprehensive income for the year	-	18,765	18,765
At 31 December 2019	1	42,706	42,707

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1	10,812	10,813
Comprehensive income for the year			
Profit for the year	-	13,129	13,129
Total comprehensive income for the year	-	13,129	13,129
At 31 December 2018	1	23,941	23,942

The notes on pages 9 to 13 form part of these financial statements.

Asymchem Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Asymchem Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern and impact of COVID-19

The company is a wholly owned subsidiary of the Asymchem Laboratories (Tianjin) group, a group listed on the Shenzhen Stock Exchange providing a wide range of R&D and manufacturing services to the pharmaceutical industries. Asymchem Limited provides marketing and business development services to the Group. It trades profitably and at 31 December 2019 had net assets of £43,000.

The Asymchem group has responded to the COVID-19 pandemic in its various operational locations in accordance with best practice and government requirements and there is not expected to be a significant adverse operational or financial impact on this company. Accordingly, the Director considers it to be appropriate to continue to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover represents income from the parent company and is recognised in the period to which services are performed.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Asymchem Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Creditors

Short term creditors are measured at the transaction price.

2.7 Finance costs

Finance costs are charged to the statement of comprehensive income as incurred.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.10 Taxation

Tax is recognised in the statement of comprehensive income.

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

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

The director has made no material judgements or key estimates in preparing these financial statements.

4. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £9,000 (period ended 31 December 2018 - £7,850).

Asymchem Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

5. Employees

The average monthly number of employees, including the director, during the year was 1 (2018 - 1).

	2019 £	2018 £
Salaries	168,300	155,800
Bonus	37,234	49,000
Pension and other staff costs	28,869	16,453
	<u>234,403</u>	<u>221,253</u>

6. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	4,465	3,080
Total current tax	<u>4,465</u>	<u>3,080</u>

Factors affecting tax charge for the year/period

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>23,230</u>	<u>16,209</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,414	3,080
Expenses not deductible for tax purposes	51	-
Total tax charge for the year	<u>4,465</u>	<u>3,080</u>

Asymchem Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Debtors: amounts falling due within one year

	2019 £	2018 £
Other debtors	131	131
Accrued income	81,338	-
Other taxation and social security	3,809	4,508
	<u>85,278</u>	<u>4,639</u>

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	4,320	3,000
Corporation tax	4,465	3,249
Other taxation and social security	6,840	6,092
Accruals and deferred income	64,568	70,589
	<u>80,193</u>	<u>82,930</u>

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 ordinary share of £1.00	<u>1</u>	<u>1</u>

10. Reserves

The company's capital and reserves are as follows:

Share capital

Share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Asymchem Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,300 (2018 - £7,800). Contributions totalling £1,192 (2018 - £1,192) were payable to the fund at the reporting date and are included in creditors.

12. Related party transactions

During the year, sales totalling £354,990 (2018 - £314,249) were invoiced to the parent company, Asymchem Laboratories (Tianjin) Co.,Ltd. The invoices have all been settled within the year.

13. Subsequent events

The rapid emergence of the COVID-19 pandemic has caused significant disruption to many businesses and has had material implications for the wider global economy. Please refer to the matters explained in the going concern note 2.2, which explains the Director's assessment of the impact of COVID-19 on the operations and financial position of the Company. The COVID-19 pandemic was not a condition in existence at the period-end date and therefore it is being regarded as a non-adjusting subsequent event.

14. Ultimate controlling party

The company is a wholly owned subsidiary of Asymchem Laboratories (Tianjin) Co.,Ltd, a company incorporated in No.71, 7th St.TEDA Tianjin, P.R.China. The ultimate controlling party is Dr Hao Hong.

The largest and smallest group in which the results of the company are consolidated is Asymchem Laboratories (Tianjin) Co. Ltd, a company listed on the Shenzhen Stock Exchange.