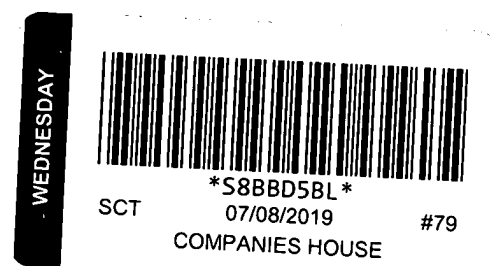


Registered No: SC343360

David Brown Systems China (Holdings) Limited

Report and Financial Statements

31 December 2018



David Brown Systems China (Holdings) Limited

Registered No: SC343360

Directors

D Armitt

Bankers

HSBC Plc
62/76 Park Street
London
SE1 9DZ

Solicitors

CMS Cameron McKenna
191 West George Street
Glasgow
G2 2LD

Registered Office

1 Redwood Crescent
East Kilbride
Lanarkshire
G74 5PA

Directors' report

This report has been prepared in accordance with the small company exception from preparing a strategic report.

The directors present their report and financial statements for the year ended 31 December 2018.

Results and dividends

The company did not trade during 2018 or 2017 however steps were taken following the full liquidation of its subsidiary to impair the amounts due, resulting in a loss of £191,000 (2017: £nil). The directors do not recommend the payment of a dividend (2017: £nil).

Principal activities and review of the business

The principal activity of the company during the year was that of a holding company.

Directors

The directors who served the company during the year were as follows:

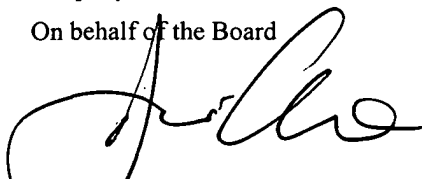
D Armitt

T Burley (resigned 18 October 2018)

Auditors

Under the provisions of Section 480 of the Companies Act of 2006, a special resolution has been passed to dispense with the requirements relating to the appointment of auditors. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

On behalf of the Board



D Armitt
Director

Date: 6 August 2019

Statement of directors' responsibilities in respect of the financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Income Statement and Other Comprehensive Income

for the year to 31 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Turnover			-
Administrative expenses	2	(191)	-
Profit on ordinary activities before taxation		(191)	-
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		(191)	-
Other Comprehensive income		-	-
Total Comprehensive Income		(191)	-

There are no recognised gains or losses other than the loss of £191,000 (2017: £nil) attributable to the shareholders for either the current or prior year.

The accompanying notes form an integral part of these financial statements.

Statement in Changes of Equity

for the year ended 31 December 2018

	Share Capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
At 1 January 2017	-	191	191
Profit in year	-	-	-
At 31 December 2017	-	191	191
Loss in year	-	(191)	(191)
At 31 December 2018	-	-	-

Registered No: SC343360

Statement of Financial Position

at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	4	-	-
		<hr/>	<hr/>
		-	-
Current assets			
Amounts due from group undertakings	5	-	196
Creditors: amounts falling due within one year	6	-	(5)
		<hr/>	<hr/>
Net current assets		-	191
		<hr/>	<hr/>
Total assets less current liabilities		-	191
		<hr/>	<hr/>
Net assets		-	191
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		-	191
		<hr/>	<hr/>
Total shareholders' surplus		-	191
		<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for:

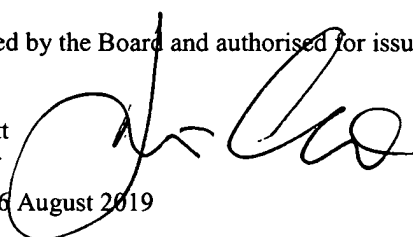
- i) Ensuring the company keeps accounting records which comply with section 386; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year, and of its profit or loss for the financial period, in accordance with section 393, and what otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Board and authorised for issue.

D Armitt
Director

Date: 6 August 2019



Notes to the financial statements

at 31 December 2018

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company has prepared its accounts under FRS 101, under which the Company has taken advantage of the following disclosure exemptions:

- a) the requirements of paragraphs 10(d), 10(f) and 39(c) of IAS 1 Presentation of Financial Statements;
- b) the requirements of IAS 7 Statement of Cash Flows;
- c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, Changes in Accounting estimates and errors; and
- d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The financial statements have been prepared on the going concern basis despite the company being in a net liability position at the year end. The directors believe this to be appropriate for the following reason:

The company is dependent on funds provided to it by David Brown Systems S.à r.l. The company's intermediate parent undertaking, David Brown Systems S.à r.l. has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

In addition, the loans due to other group companies will not be called by the respective parties David Brown Group Limited and David Brown Systems UK Limited.

The company has availed itself of the exemption conferred by Section 402 of the Companies Act 2006, whereby group financial statements need not be prepared as the company is a wholly owned subsidiary undertaking of DB Fusion S.à r.l. which prepares group financial statements.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. Administrative expenses

Directors' emoluments for services rendered to this company for the year are £500 (2017: £500).

Auditor's remuneration for the year totalled £1,500 (2017: £1,500). These costs are bourn and forgiven by other group companies.

In the year, an impairment was made against the amounts due from related undertakings of £196,000.

Notes to the financial statements

at 31 December 2018

3. Tax

The company has unrecognised tax losses of £192,800 (2017: £1,800) that are available to offset indefinitely against future taxable profits.

4. Investments

	Shares in subsidiary undertakings £'000
<i>Cost</i>	
At 1 January 2017 and 31 December 2018	468
<i>Provision for diminution</i>	
At 1 January 2017 and 31 December 2018	(468)
<i>Net Book value</i>	
At 1 January 2017 and 31 December 2018	-

<i>Subsidiary undertakings</i>	<i>Nature of business</i>	<i>Country of registration or incorporation</i>
David Brown Gear Systems Trading (Shanghai) Co Ltd	Trading	China

The shares are wholly owned and the share capital comprises ordinary shares, where the entity was liquidated in 2018.

5. Debtors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due from related undertakings	-	196

6. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Accruals	-	5
	-	5

Notes to the financial statements

at 31 December 2018

7. Share capital

	No.	2018	No.	2017
<i>Allotted, called up and fully paid</i>		£		£
Ordinary shares of £1 each	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>

8. Ultimate parent company

The company's immediate parent undertaking is David Brown Systems UK Limited, a company incorporated in the United Kingdom.

The company's intermediate parent undertaking in which David Brown China (Holdings) Limited's results are consolidated is DB Fusion S.à r.l., a company registered in Luxembourg. Copies of the financial statements can be obtained from 8-10 Rue de la Gare, Luxembourg.

Management considers the company's ultimate parent undertaking to be David Brown Systems (Holdings) S.à r.l, a company incorporated in Luxembourg.