

TT Asia Holdings Limited

Annual report and financial statements

Registered number 2464046

31 December 2022

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Strategic Report

Business Review and future developments

TT Asia Holding Limited's (the "Company") core business is an investment holding Company.

Review of the business

The principal activity of its ultimate subsidiary undertakings continues to be the manufacture of electronic components.

Principal Risks and Uncertainties

The principal risks and uncertainties relate to those of its subsidiary undertakings, which support the value of the investment held by the Company.

Interest rate risk

The Company finances its operations through a mixture of retained profits and inter-company accounts. The Company's exposure to interest rate fluctuations is managed on a group basis.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts.

Exemptions taken with respect to obtaining an independent auditor's report over these financial statements.

For the year ending 31 December 2022 the Company was entitled to, and has taken, an exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 and the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Section 172(1) Statement

The Directors of TT Asia Holdings Limited consider that they have, both individually and collectively, acted in good faith in a way which would most likely promote the success of the Company for the benefit of the members as a whole, and in doing so have had regards (amongst other matters) to factors (a) to (f) as set out in s172(1) of the Companies Act 2006 for the decisions taken during the year ended 31 December 2022.

The Company, as an investment holding company, has no employees, customers or suppliers and as such, the Directors primarily consider the interests of shareholders with regard to performing their duties on matters set out under Section 172 of the Companies Act 2006. The board decisions approved during the year were in line with the strategic goals of both the Company and the shareholders.

The Company adopted the policies and procedures of its parent company for its operations during the year. These are described in more detail in the TT Electronics Group Annual Report which is available on the Group's website: <http://www.ttelectronics.com/investor-overview>.

Results and dividend

The profit for the year after taxation amounted to £11,352,000 (2021: £nil).

Corporate responsibility


The Group's corporate sustainability strategy and performance is published on its website at www.ttelectronics.com.

A summary of the year's activities is included in the TT Electronics plc consolidated financial statements for the year ended 31 December 2022, which is available on the Group's website: <http://www.ttelectronics.com/investor-overview>.

Strategic Report (continued)

Approved by the board of Directors on 7 June 2023 and signed on its behalf by:

By order of the Board



L D Boardman
Secretary

Registered office:
Fourth Floor
St Andrews House
West Street
Woking
Surrey
GU21 6EB
United Kingdom

Directors' Report

The Directors present their annual report on the affairs of the Company, together with the Financial Statements and the for the year ended 31 December 2022.

Directors

The Directors who served during the year and up to the date of signing these Financial Statements are included in the table below:

Name	
L D Boardman	
M Hoad	
T C Couchman	Appointed 8 June 2022 and resigned 1 December 2022.
R N Clark	Resigned 8 June 2022.
J M A Chase	Appointed 1 December 2022.

Directors' remuneration

Directors' remuneration has been disclosed in note 2 to the Financial Statements.

Qualifying third party indemnity provisions

The ultimate parent (TT Electronics plc) maintains Directors' and Officers' Liability insurance. The Directors of the Company also benefit from a qualifying third party indemnity provision in accordance with Section 234 of the Companies Act 2006 and the Company's Articles of Association. The ultimate parent has provided a pension scheme indemnity within the meaning of Section 235 of the Companies Act 2006 to Directors of associated companies.

Share capital

Full details of the Company's issued share capital, including changes during the year, can be found in note 6 to the Financial Statements.

Post balance sheet events

There are no post balance sheet events to report.

Going concern

As the Company's principal activities are as an investment holding Company for the TT Electronics plc Group ("the Group"), the ability to operate as a going concern is inherently linked to that of the wider Group. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. Therefore, the Directors have reviewed the going concern status of the Company by considering the Company's latest forecasts and those of the Group. The Company and the Group are expected to continue to generate free cash flow and adequate resources to continue in operation for the foreseeable future.

As a result, the Directors have a reasonable expectation that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Directors have assessed the future funding requirements of the Group with due regard to the risks and uncertainties to which the Group is exposed and compared them with the level of available borrowing facilities and are satisfied that the Group has adequate resources for at least twelve months from the date of signing. Accordingly, the financial statements have been prepared on a going concern basis.



L D Boardman

Secretary
7 June 2023

Registered office:

Fourth Floor
St Andrews House
West Street
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United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the board of Directors on 7 June 2023 and signed on its behalf by:



L D Boardman
Secretary

Registered office:
Fourth Floor
St Andrews House
West Street
Woking
Surrey
GU21 6EB
United Kingdom

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Other operating income		167	-
Operating profit		167	-
Dividend income		11,185	-
Profit before taxation		11,352	-
Taxation	5	-	-
Profit for the financial year		11,352	-

The notes on pages 7 to 13 form part of these financial statements.

The Company has no other comprehensive income for the year (2021: £nil). The total comprehensive income for the year is therefore £11,352,000 (2021: £nil).

Balance Sheet
at 31 December 2022

	Note	2022 £000	2021 £000
Non current assets			
Investments	6	1,368	1,368
Intercompany debtors		20,929	10,136
		<u>22,297</u>	<u>11,504</u>
Current assets			
Current tax debtor		559	
Cash at bank and in hand		10	10
		<u>569</u>	<u>10</u>
Current liabilities			
Intercompany creditors		-	-
		<u>-</u>	<u>-</u>
Net current assets		569	10
Net assets		22,866	11,514
Capital and reserves			
Called up share capital	7	10,473	10,473
Profit and loss account		12,393	1,041
Shareholders' funds		22,866	11,514

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the "Act") relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476; and
- The directors acknowledge their responsibilities for the complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 13 form part of these financial statements.

These financial statements were approved by the board of Directors on 7 June 2023 and were signed on its behalf by:



L D Boardman
Director



J M A Chase
Director

Company registered number: 2464046

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
Balance at 1 January 2021	10,473	1,041	11,514
Profit for the year	-	-	-
Balance at 31 December 2021	10,473	1,041	11,514
Total comprehensive income for the year			
Profit for the year	-	11,352	11,352
Balance at 31 December 2022	10,473	12,393	22,866

The notes on pages 8 to 13 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

TT Asia Holdings Limited is a Company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as issued by the IASB but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, TT Electronics plc includes the Company in its consolidated financial statements. The consolidated financial statements of TT Electronics plc are available to the public and may be obtained from Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The most significant judgements and estimates in applying these accounting policies relate to the carrying value of the fixed asset investments.

The functional currency of the Company is GBP. These financial statements are presented in GBP as the Company is an investment holding Company for the TT Electronics plc Group.

For the year ending 31 December 2022 the Company was entitled to, and has taken, an exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 and the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade receivables are recognised at transaction price (i.e. original invoice price) and subsequently measured at amortised cost less provision made for loss allowance of these receivables based upon the expected credit loss model (simplified model). All trade receivables are held to collect contractual cash flows within a business model and meet the 'Solely Payments of Principal and Interest' SPPI test.

Credit risk relating to trade receivables

The Company's major exposure to credit risk is in respect of trade receivables. Given the solvency of major trade debtors, credit risk is believed to be limited. The Company regularly monitors its exposure to bad debts in order to minimise this exposure.

The Company has strict procedures in place to manage the credit risk on trade receivables. Customer credit risk is subject to Company's oversight to ensure that each customer credit risk management system operates in a prudent and responsible manner. Credit evaluations are performed for all customers and credit limits are established based on internal or external rating criteria. The credit quality of the Company's significant customers is monitored on an ongoing basis, and receivables that are neither past due nor impaired are considered of good credit quality. Letters of credit or payments in advance are obtained where customer credit quality is not considered strong enough for open credit.

There were no material impairments of trade receivables as at 31 December 2022 or 2021. The solvency of the debtor and their ability to repay the receivables were considered in assessing the impairment of such assets.

Trade and other creditors

Trade payables are carried at the amounts expected to be paid to counterparties.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits held on call or with maturities of less than three months at inception, and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

1.4 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.5 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

At each reporting date the Company assesses credit risk by considering reasonable and supportable information that may indicate increases in credit risk. Indicators that an asset carries a higher credit risk compared to at inception or that an asset is credit impaired would include observable data in relation to the financial health of the debtor: significant financial difficulty of the issuer or the debtor; the debtor breaches contract; it is probable that the debtor will enter bankruptcy or financial reorganisation. The amount of credit risk provision is the difference between the original carrying amount and the recoverable amount, being the present value of expected cash flows receivable (discounted using the original effective interest rate). The amount of the provision is recognised in the income statement within administrative expenses.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.

Notes (continued)

1.5 Impairment excluding stocks, and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.7 Adopted IFRS not yet applied

There were no revisions to adopted IFRSs which have become applicable in 2022 that have had a significant impact on the Company's financial statements.

1.8 Going concern

As the Company's principal activities are as an investment holding Company the TT Electronics plc Group ("the Group"), the ability to operate as a going concern is inherently linked to that of the wider Group. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. Therefore, the Directors have reviewed the going concern status of the Company by considering the Company's latest forecasts and those of the Group. The Company and the Group are expected to continue to generate free cash flow and adequate resources to continue in operation for the foreseeable future.

As a result, the Directors have a reasonable expectation that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Directors have assessed the future funding requirements of the Group with due regard to the risks and uncertainties to which the Group is exposed and compared them with the level of available borrowing facilities and are satisfied that the Group has adequate resources for at least twelve months from the date of signing. Accordingly, the financial statements have been prepared on a going concern basis.

Notes (continued)

2 Directors' remuneration

M Hoad, L Boardman and J M A Chase, the key management of the Company during the year, did not receive any emoluments in respect of their services as Directors of TT Asia Holdings Limited in either year.

3 Staff numbers and costs

The Company had no employees in either period.

4 Operating Income

	2022	2021
	£000	£000
Gain on retranslation of monetary assets	167	-
Total operating income	167	-

5 Taxation

Tax charged in the income statement

	2022	2021
	£000	£000
Current Tax:		
UK Corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	-	-
Total tax expense	-	-

Reconciliation of effective tax rate

	2022	2021
	£000	£000
Profit before taxation	11,352	-
Tax using the UK corporation tax rate of 19% (2021: 19%)	(2,157)	-
Adjustment to current tax in respect of prior periods	-	-
Group relief	2,157	-
Total tax expense	-	-

The enacted UK tax rate applicable since 1 April 2017 to current year profits is 19%. An increase in UK rate has been enacted to occur from 1 April 2023 to 25%. The impact on deferred tax as a result of this change was £nil.

Notes (continued)

6 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning of year	8,498
At end of year	8,498
Provisions	
At beginning of year	(7,130)
At end of year	(7,130)
Net book value	
At 31 December 2021	1,368
At 31 December 2022	1,368

In the opinion of the Directors the value of investments in subsidiaries is not less than the value at which they are included in the balance sheet.

7 Capital and reserves

Share capital

	Ordinary shares 2022	Ordinary shares 2021
In thousands of shares	2022	2021
On issue at 1 January	10,473	10,473
On issue at 31 December – fully paid	10,473	10,473
	2022	2021
	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £1 each	10,473	10,473
	10,473	10,473

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

There were no dividends paid in 2022 or 2021.

Notes (continued)

8 Contingencies

There was a cross guarantee between certain companies in the group on all bank overdrafts with HSBC Bank plc. At 31 December 2022 the total borrowings to which the Company is a cross-guarantor amounted to £5,112,521 (2021: £949,968)

9 Ultimate parent company and related undertakings

The Company is a subsidiary undertaking of TT Electronics Plc which is the ultimate parent company. The ultimate controlling party is TT Electronics Plc.

No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB.

The directly and wholly trading subsidiaries of the Company are:

Name of Subsidiary Undertaking	Country of Incorporation	Proportion of Shares held	Share Class	Registered office/ principal place of business
TT Electronics Asia Pte Ltd.	Singapore	100%	Ordinary	(1)
TT Electronics Integrated Manufacturing Services (Suzhou Co. Ltd)	China	100%	Ordinary	(2)

(1) 2 Shenton Way, #18-01 SGX Centre 1, 068804, Singapore

(2) 158-24 Hua Shan Road, Snd Suzhou, 215129, China