

TT Asia Holdings Limited

Annual report and financial statements

Registered number 2464046

31 December 2020



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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.

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 2020.

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 nil (2019: profit of £141,000). Details of dividends paid are included in note 7 to the Financial Statements.

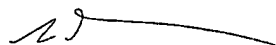
Corporate responsibility

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 2020, which is available on the Group's website: <http://www.ttelectronics.com/investor-overview>.

Approved by the board of directors on 29 September 2021 and signed on its behalf by:

By order of the Board



L D Boardman

Secretary

29 September 2021

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 audited Financial Statements and the independent auditor's report, for the year ended 31 December 2020.

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
R N G Clark

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 7 to the Financial Statements.

Post balance sheet events

There are no post balance sheet events to report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There are no post balance sheet events to report.

Auditor

Following an audit retender which concluded in 2019, Deloitte LLP was selected as the auditor for TT Asia Holdings Limited. Accordingly, it is intended that Deloitte LLP will be appointed to replace KPMG LLP as auditor of the Company for the year ending 31 December 2020.

Going concern

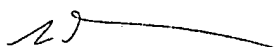
The Company's operations and financial condition, together with factors likely to affect its future development, performance and condition are set out in this report and the Strategic report.

The emergence of the COVID-19 pandemic has had an impact on the end markets and operations of TT Electronics plc and its subsidiaries ("the Group"). Whilst the Group was negatively impacted by COVID-19 in the year with revenues down 9% across the Group on a constant currency basis, the Group's recovery is well underway. Following the impact of COVID-19 in the second quarter of 2020, the Group has been on an improving upward trend in both order intake and production capacity. This trend has been underpinned by strong order intake across the Group through the fourth quarter of the year and has continued into 2021 across all divisions. 2021 expected revenues are already fully covered with good visibility building for 2022.

Directors' Report *(continued)*

As the Company's principal activities are as an investment holding company for 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 Group is 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.



L D Boardman
Secretary
29 September 2021

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

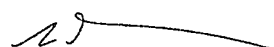
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 29 September 2021 and signed on its behalf by:



L D Boardman
Secretary
29 September 2021

Registered office:
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United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TT ASIA HOLDINGS LIMITED

Opinion

In our opinion the financial statements of TT Asia Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 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 Director's 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.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Robert Knight (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 September 2021

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Other Operating expense		-	-
Operating result		-	-
Result before taxation		-	-
Tax on result	5	-	141
Profit for the financial year		-	141

The notes on pages 11 to 17 form part of these financial statements.

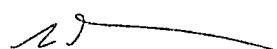
The company has no other comprehensive income for the year (2019: nil). The total comprehensive income/(loss) for the year is therefore nil (2019: profit of £141,000).

Balance Sheet
at 31 December 2020

	<i>Note</i>	2020 £000	£000	2019 £000	£000
Non current assets					
Investments	6		1,368		1,368
Intercompany debtors			10,400		-
			<u>11,768</u>		<u>1,368</u>
Current assets					
Intercompany debtors		-		11,300	
Cash at bank and in hand		10		10	
		<u>10</u>		<u>11,310</u>	
Current liabilities					
Intercompany creditors		(264)		(1,164)	
Taxation		-		-	
		<u>(264)</u>		<u>(1,164)</u>	
Net current assets			(254)		10,146
Net assets			<u>11,514</u>		<u>11,514</u>
Capital and reserves					
Called up share capital	7		10,473		10,473
Profit and loss account			1,041		1,041
Shareholders' funds			<u>11,514</u>		<u>11,514</u>

The notes on pages 11 to 17 form part of these financial statements.

These financial statements were approved by the board of directors on 29 September 2021 and were signed on its behalf by:



L D Boardman
Director
29 September 2021
Company registered number: 2464046



M Hoad
Director
29 September 2021

Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	10,473	5,900	16,373
Total comprehensive loss for the year			
Profit for the year	-	141	141
Dividends paid	-	(5,000)	(5,000)
Balance at 31 December 2019	<u>10,473</u>	<u>1,041</u>	<u>11,514</u>
Total comprehensive income for the year			
Result for the year	-	-	-
Balance at 31 December 2020	<u>10,473</u>	<u>1,041</u>	<u>11,514</u>

The notes on pages 11 to 17 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 adopted by the EU ("Adopted IFRSs"), 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.

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 2020 or 2019. 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 2020 that have had a significant impact on the Company's financial statements.

1.8 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out within the Strategic Report on page 2. No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

TT Asia Holdings Limited operated as a holding company for the TT Electronics plc Group ("the Group"). As such, the Group financial position impacts the going concern of the Company. Whilst the Group was negatively impacted by COVID-19 in the year with revenues down 9% on a constant currency basis, the Group's recovery is well underway. Following the impact of COVID-19 in the second quarter of 2020, the Group has been on an improving upward trend in both order intake and production capacity. This trend has been underpinned by strong order intake across the Group through the fourth quarter of the year and has continued into 2021 across all divisions. 2021 expected revenues are already fully covered with good visibility building for 2022. The Group's financial position remains strong, at 31 December 2020 it had:

£237.3 million of total borrowing facilities available (comprising committed facilities of £198.1 million and uncommitted facilities of £39.2 million representing overdraft lines and an undrawn accordion facility of £30 million). The Group's primary source of finance is the £180 million committed revolving credit facility (RCF); at 31 December 2020 £136.8 million of this facility had been drawn down. The Group's RCF will mature in November 2023.

A leverage ratio of 1.6 times at 31 December 2020 compared to a covenant maximum of 3.0 times. Interest cover (pre-IFRS 16 and excluding pension interest) of 12.6 times compared to a covenant minimum of 4.0 times

The Group has prepared and reviewed cash flow forecasts across the business over the twelve-month period from the date of the approval of these financial statements, considering the Group's current financial position and the potential impact of our principal risks on divisions.

The Group's financial projections contain key assumptions surrounding revenue and operating profit recovery in 2021, these estimates position the Group remaining below pre-COVID 2019 levels throughout the twelve months from the date of signing these financial statements. Under the Group's base case financial projections, the Group retains significant liquidity and covenant headroom, with both metrics improving from the position as at 31 December 2020.

Notes (continued)

1 Accounting Policies (continued)

The Group's financial projections have been stress tested for "business as usual" risks (such as profit growth and working capital variances), and the impact of the following principal risks: general revenue reductions, contractual risks, people and capability, supplier resilience and health and safety (occurring both individually and in unison). Principal risks which were not specifically modelled were either considered not likely to have an impact within the going concern period or their financial effect was covered within the overall downside economic risks implicit within the stress testing. Under the stress tested modelling, the liquidity headroom within the group remains significant. Financial covenants continue to be in compliance under the stress tested model and management have a number of mitigating actions which could be undertaken if required.

A "reverse" stress-test was also modelled to understand the conditions which could jeopardise the ability of the Group to continue as a going concern including assessing against covenant testing and facility headroom. The stress testing also considered mitigating actions which could be put in place. Mitigating actions included limiting capital expenditure and reducing controllable costs including items such as discretionary bonuses and pay rises. The reverse stress test is deemed to have a remote likelihood and help inform the Directors' assessment that there are no material uncertainties in relation to going concern.

The Group's wide geographical and sector diversification helps minimise the risk of serious business interruption or catastrophic reputational damage. Furthermore, the business model is structured so that the Group is not overly reliant on any single customer, market or geography.

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. Further the directors of the Company have obtained a letter of support from the Group's ultimate holding company, TT Electronics plc, indicating that the Group will support the company for a period of at least twelve months from the date of approval of their 2020 financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

2 Directors' remuneration

M Hoad, L Boardman and R Clark, 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 Expenses and auditor's remuneration

Auditor's remuneration:

The auditor's remuneration for the audit of these financial statements of £5,000 (2019: £5,000) was borne by the ultimate parent company in the current period. Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, TT Electronics plc.

Notes (continued)

5 Taxation

Tax charged in the income statement

	2020 £000	2019 £000
Current Tax:		
UK Corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	141
Total current tax	-	141
Total tax expense	-	141

Reconciliation of effective tax rate

	2020 £000	2019 £000
Profit before taxation	-	-
Tax using the UK corporation tax rate of 19% (2019: 19%)	-	-
Adjustment to current tax in respect of prior periods	-	141
Total tax expense	-	-

The enacted UK tax rate applicable from 1 April 2017 is 19% and due to changes in legislation enacted in the period this remains the UK rate as the rate drop, originally legislated to occur from 1 April 2020 to 17%, has been reversed. The applicable tax rate for the period is based on the UK standard rate of corporation tax of 19% (2019: 19%).

On 3 March 2021 the UK Government announced changes to the UK corporate tax system and an increase in tax rate from the fiscal year 2023 to 25% from the currently enacted rate of 19%. The change in tax rate will result in a change to the level of deferred tax held in respect of the Company's UK operations and may impact the Company's effective tax rate in future years. The Company, to date, has not identified any other significant tax charges or credits arising from the proposed legislation.

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 2020	1,368
At 31 December 2019	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 2020	2019
In thousands of shares		
On issue at 1 January	10,473	10,473
On issue at 31 December – fully paid	10,473	10,473
	2020	2019
	£000	£000
<i>Allotted, called up and fully paid</i>		
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

The following dividends were recognised during the period:

	2020 pence per share	2020 £000	2019 pence per share	2019 £000
Equity dividends				
Paid during the year	-	-	47.74	5,000
	-	-	47.74	5,000

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 2020 the total borrowings which the company is a cross-guarantor to amounted to £1,782,744 (2019: £8,482,190).

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