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DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

☒ What this form is for
You cannot use this form
for an alteration of manner
with accounting requirements.

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#131

COMPANIES HOUSE

Part 1 Corporate company nameCorporate name of
overseas company ①GUINNESS ATKINSON ASSET MANAGEMENT
INC.UK establishment
number

B R 0 0 7 2 4 2

→ Filling in this form
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**

Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

COMPANIES ACT 2006 / FINANCIAL REPORTING STANDARDS

② This means the relevant rules or
legislation which regulates the
preparation of accounts.

A2**Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

UK FINANCIAL REPORTING COUNCIL

OS AA01

Statement of details of parent law and other information for an overseas company

A3 Audited accounts		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>● Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ●	INTERNATIONAL STANDARDS ON AUDITING AS ADOPTED BY THE UK	
Part 3 Signature		
	I am signing this form on behalf of the overseas company.	
Signature	<p>Signature</p> <p>X  X</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

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139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

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Second Floor, The Linenhall, 32-38 Linenhall Street,
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Further information

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This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Registered number: FC024762

Guinness Atkinson Asset Management, Inc.

Annual Report and Financial Statements

For the Year Ended 31 December 2020

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Guinness Atkinson Asset Management, Inc.

Company Information

Directors	J Atkinson T Guinness E Harriss E Guinness (appointed 13 May 2020)
Company secretary	J Atkinson
Registered number	FC024762
Registered office	225 South lake Avenue Suite 216 Pasadena California United States of America 91101
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX

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Guinness Atkinson Asset Management, Inc.

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Guinness Atkinson Asset Management, Inc.

**Strategic Report
For the Year Ended 31 December 2020**

Business review

During 2020 the Company's principal client was Guinness Atkinson Funds ("GA") a Delaware trust operating both SEC registered 40 Act no load mutual funds and exchange traded funds ("ETFs").

Throughout the year it managed for GA eight US 40 Act mutual funds and one actively managed for GA. The funds were the GA China & Hong Kong Fund (ICHKX), the GA Asia Focus Fund (IASMX), the GA Asia Pacific Dividend Builder Fund (GAADX), the GA Renminbi Yuan & Bond Fund (GARBX); the GA Global Energy Fund (GAGEX), the GA Alternative Energy Fund (GAAEX), the GA Global Innovators Fund (IWIRX), and the GA Dividend Builder Fund (GAINX). The ETF was MOTO an ETF invested in the transition occurring in Transportation eg to Electric Vehicles. Towards the end of the year two new ETF funds – MRAD and SULR investing in advertising technology and sustainable energy respectively were added.

Over the last six years the funds under management have evolved as shown here:

Fund	31-Dec-15	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 19	31 Dec 20
	\$m	\$m	\$m	\$m	\$m	\$m
China & Hong Kong	66.1	58.3	78.2	56.7	67.6	66.6
Asia Focus	15.4	15.5	20.2	15.1	17.5	19.1
Asia Pacific Dividend	7.3	8.5	7.6	4.2	4.7	4.2
Renminbi Yuan & Bond	7.2	2.3	2.6	2.2	1.5	3.9
subtotal	96	84.6	108.6	78.2	91.3	93.7
Global Energy	44.3	49	32	19.6	16.8	8.7
Alternative Energy	13.6	10.2	10.7	7.9	9.3	26.5
Global Innovators	165.3	159.4	230	165.4	181.0	202.9
Dividend Builder	10.9	7.8	9.2	8.5	12.9	21.9
MOTO					2.6	7.1
Sustainable Energy ETF						0.9
MRAD						0.3
Total (\$m)	330.2	311.1	390.5	279.6	313.9	362.0
Exchange rate	1.474	1.234	1.351	1.2757	1.3257	1.3665
Total (£m)	224.1	252	289	219.2	236.8	264.9

Net flows into and out of the funds during the year were as below (\$m):

	Value (\$m)					Value (\$m)
Fund	31-Dec-19	Inflows	outflows	Net flows	Market	31-Dec-20
Alternative Energy	9.3	11.2	-3.8	7.5	9.7	26.5
Asia Focus	17.5	0.3	-2.5	-2.2	3.8	19.1
Asia Pacific Dividend	4.7	14.4	-18.1	-3.7	3.2	4.2
China & Hong Kong	67.6	0.5	-9.4	-8.9	7.9	66.6
Dividend Builder	12.9	9.6	-4.2	5.5	3.5	21.9
Global Energy	16.8	2.3	-4.5	-2.2	-5.9	8.7
Global Innovators	181	13.2	-45.7	-32.5	54.4	202.9
Renminbi Yuan & Bond	1.5	2.2	-0.1	2.1	0.3	3.9
Total ex ETFs	311.3	53.7	-88.3	-34.4	76.9	353.8
ETFs	2.6	4.6	-0.6	4.0	4.3	8.3
Total	313.9	107.4	-176.6	-68.8	153.8	362.0

Strategic Report (continued)
For the Year Ended 31 December 2020

Business Environment

2020 was a mixed year for the Company on the assets under management (AUM) front. Throughout the year there were net outflows from most of the funds however these negative outflows were compensated by a strong performance particularly for Alternative Energy Fund and the Asia Pacific Dividend Fund. Over the year the assets dipped to its minimum level in March 2020 when sentiment about the Covid-19 pandemic was most pessimistic before recovering throughout the rest of the year. The overall effect was average AUM over the year up by 0.7% in 2020 and most hearteningly the assets under management were up by 15%.

This positive element of the picture needs however to be tempered by a recognition that the AUM numbers at year end 2020 reflected a high point in markets. The S&P500 for example having started the year at 3,245 and falling to 2,304 on 20th March has now, having recovered strongly during the balance of the year, reached 3,756 at the end of December.

The historic headwind for our business which I have referred to in previous reports - continued growth in market share of (mainly passive) ETFs – continued to be a major contributor to the outflows we've experienced. Hopefully the steps we are taking to respond to this by rolling our own ETFs (albeit active) and next year to be a leader in converting our 40 Act funds to ETFs should help address this.

Another issue I mentioned last year the fact that our two Global funds – Global Innovators and Dividend Builders face an obstacle in the preference by some US investors for "international" equity funds over "global" investment funds when investing outside the US remains out there. Dividend Builder, however was one of our funds enjoying positive net flows (albeit small) and it maybe that a perception that the long anticipated rolling over of the market cycle of US vs non-US and growth vs value outperformance is starting is positive at the margin.

The four funds investing in Asian stocks continue to not accumulate assets and will only be likely to do so when sentiment towards those areas picks up. Meanwhile Alternative Energy (soon to be renamed Sustainable Energy) performed well and this supported by a revival in sentiment for this asset class. also attracted some net investment flows.

Profitability

GAAM's turnover, pretax profits and shareholder' funds over the last six years have been as follows:

Funds under management \$m	2015	2016	2017	2018	2019	2020
Average for year	436	312	347	369	300	302
Year end	330	311	391	280	314	362
Financial results \$000s						
Turnover	3,495	2,606	2,905	3,040	2,436	2,462
Profit/loss before tax	-493	-496	38	169	-41	187
Shareholders' funds	1,344	848	886	1,055	1,014	1,181

We have a small profit in 2020 after a loss-making year in 2019. This is due to a modest increase in the turnover and good cost management including an adjustment to the Guinness Atkinson / Guinness Asset Management London cost sharing agreement so that it is variable as Guinness Atkinson Net Revenue fluctuates. This has the benefit that the US management team are much better able to control total costs and it is the objective that the Company does not slip back into loss.

**Strategic Report (continued)
For the Year Ended 31 December 2020**

Outlook

We have funds and ETFs that offer investors good ways to get exposure to the following range of opportunities:

- (1) the upsurge in interest in investing in companies involved in addressing climate change (Alternative/Sustainable Energy);
- (2) the attractive long run growth in value available from investing in quality innovative companies (Global Innovators);
- (3) the growth and income opportunity available from quality global companies defined as companies with a ten year history of above average cash flow return on investment (Dividend Builder);
- (4) opportunities in interesting new economy themes via ETFs such as MOTO and MRAD
- (5) China successfully playing catch up in GDP per capita to the developed economies (four funds – China & Hong Kong; Asia Focus; Asia Pacific Dividend Builder; Renminbi Yuan & Bond).

Standing back it is still believed that the opportunity for substantial growth in funds managed is worthwhile and can be achieved. For example the Global Innovators fund has an outstanding 10 and 15 year track record versus the MSCI World Index; and a strong team and process. And most of the other funds in the GAAM range have interesting stories that give them the potential to stand out and likewise attract new investors.

Against this opportunity we must continue to balance several other realities. In a very competitive environment smaller fund groups like GAAM have hurdles to contend with such as lower brand awareness; smaller funds may not be considered by many intermediaries and consultants until above certain size thresholds. This can best be addressed by differentiation of product and achieving scale.

The second major challenge, alluded to above, is the growing acquisition of equity mutual fund market share by passive funds including ETFs. Our first initiative has been to launch thematic actively managed ETFs. 2019 saw the launch of an active ETF in the transportation transition space ("MOTO") to give investors a way to gain exposure to the rise in electric vehicles, autonomous cars; and transportation as a service. 2020 saw the launch of the Advertising & Marketing Technology ("MRAD") ETF giving investors exposure to innovative companies shaping the future of advertising and marketing technology. The second initiative - the conversion of several of our mutual funds into active ETFs - was progressed along two routes in 2020. First the launch of a Sustainable Energy ETF (SULR) which will in due course be merged with the Alternative Energy Fund (once it has converted) and second the conversion of Dividend Builder and Asia Pacific Dividend from mutual funds to ETFs. The conversion project has been painfully slow – hence in part why we launched SULR rather than wait till the SEC approved conversion but I am delighted to be able to report that the conversion of the two dividend funds has now occurred (on March 29th 2021). And we were the first 40 Act fund manager to achieve a conversion. We will now see whether our hypothesis that these funds will attract more assets by providing investors with a lower cost and, arguably, more accessible format is born out.

The board of GAAM continue to have as their major objective the growing of funds under management to \$1 billion over the next 5 years.

Principal risks and uncertainties

The Firm's main categories of risk and its management objectives and policies for these categories are as follows:

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events, including legal risk. The directors are responsible for the day to day running of the business and have instituted procedures for monitoring and mitigating operational risk that are appropriate to the size and complexity of the business.

Business risk

The firm's risk appetite and its willingness to accept business risk is evaluated and documented by the directors. The risk management function is discussed at meetings of the Board of Directors. Business strategy is managed and updated on a day to day basis by the firm's directors.

**Strategic Report (continued)
For the Year Ended 31 December 2020**

Credit risk

Credit risk is the risk that losses may arise as a result of the Company's clients failing to meet their obligations to settle debts. A list of the firm's exposure to counterparties is maintained as part of the accounting function and monthly management accounts detail the firm's exposure to credit risk which is judged not to be material.

Market risk

Market risk is the risk of changes to the value of assets held by the Company due to movements in foreign exchange rates or stock markets. The Company's exposure to foreign exchange rate fluctuations is due to assets held in currencies other than US dollars. Foreign exchange risk is monitored as part of the accounting function and currency balances are reviewed weekly. If a material foreign currency exposure were to arise then foreign currency hedges would be entered into if deemed appropriate. The Company's exposure to stock market movements is due to investments in funds which invest in equities and are therefore subject to changes in values of those equities.

Financial risk

Financial risk is the risk of the firm breaching regulatory capital requirements or falling short of its cash flow obligations. This is monitored as part of the accounting function and reviewed by the directors and where necessary external advice is sought from compliance consultants and/or accountants. Internal reporting to the Board of Directors is on a monthly basis and Regulatory reporting to the FCA is on a semi-annual basis. A potential deficit would be identified at an early stage and appropriate action taken.

Covid 19

Management have considered the impact of the ongoing Covid-19 pandemic and its impact on the company's 2021 performance as well as the overall going concern of the business. While markets initially fell in response to the virus, most equity markets have recovered to levels at or above where they were prior to the Covid-19 pandemic. We believe that the likelihood of a major market correction over the short to medium term has decreased, however we accept that such an event would impact negatively on the company's revenues derived from the value of funds under management. Whether this will be a relatively short-term economic shock, lasting a period of months or one lasting years is uncertain. However, in both scenarios we consider that the financial position of the company is strong with sufficient net assets and cash reserves to continue to settle liabilities as they fall due.

Guinness Atkinson Asset Management, Inc.

**Strategic Report (continued)
For the Year Ended 31 December 2020**

Directors' statement of compliance with duty to promote the success of the Company

The directors consider, both individually and collectively, that the manner in which they have acted and the decisions that they have made during the year ended 31 December 2020 have been those most likely to promote success for the benefit of its members.

The directors engage in setting, approving and executing the agreed strategic vision, and regularly review business performance, risk and compliance, health and safety and corporate responsibility matters at both board and informal meetings.

The company seeks to build long-term, trusted and mutually beneficial relationships with both clients and suppliers. Employees are encouraged to recommend strategic and operational improvements at regular communication meetings, informal meetings and social activities and the company seeks at all times to prioritise the safety and welfare of its staff.

Wherever possible, the company aims to positively impact upon the environment and to make as constructive a contribution as possible to the local community.

This report was approved by the board and signed on its behalf.



T Guinness
Director

Date: 28th April 2021



Guinness Atkinson Asset Management, Inc.

Directors' Report For the Year Ended 31 December 2020

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

Results

The profit for the year, after taxation, amounted to \$167,593 (2019: loss \$41,084).

Directors

The directors who served during the year were:

J Atkinson
T Guinness
E Harriss
E Guinness (appointed 13 May 2020)

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Matters covered in the strategic report

Items required under Schedule 7 to be disclosed in the director's report are set out in the strategic report, in accordance with s.414C(11) CA 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Guinness Atkinson Asset Management, Inc.

**Directors' Report (continued)
For the Year Ended 31 December 2020**

Disclosure of information to auditors

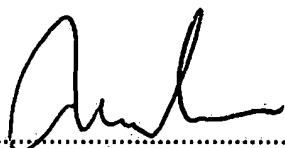
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 April 2021 and signed on its behalf.



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T Guinness
Director



Independent Auditors' Report to the Members of Guinness Atkinson Asset Management, Inc.

Opinion

We have audited the financial statements of Guinness Atkinson Asset Management, Inc. (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 2020 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 United Kingdom, including the Financial Reporting Council'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.



Guinness Atkinson Asset Management, Inc.

Independent Auditors' Report to the Members of Guinness Atkinson Asset Management, Inc. (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report or the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

**Independent Auditors' Report to the Members of Guinness Atkinson Asset Management, Inc.
(continued)**

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

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

Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud.

We have reviewed the entity's regulatory compliance regarding requirements under the FCA for designated investment firms. This included a review of key correspondence with the FCA during the year, a review of compliance reports submitted in the year and consideration of the entity's ability to meet its capital adequacy requirements under FCA rules.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guinness Atkinson Asset Management, Inc.

**Independent Auditors' Report to the Members of Guinness Atkinson Asset Management, Inc.
(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 Auditors' 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.



Stephen Tanner BSc (Econ) FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London

Date: 28th April 2021

Guinness Atkinson Asset Management, Inc.

**Statement of Comprehensive Income
For the Year Ended 31 December 2020**

	Note	2020 \$	2019 \$
Turnover	3	2,461,807	2,436,326
Cost of sales		(886,477)	(1,088,813)
Gross profit		1,575,330	1,347,513
Distribution costs		(360,953)	(312,560)
Administrative expenses		(1,091,626)	(1,153,493)
Other operating income	5	62,743	64,674
Operating profit/(loss)	6	185,494	(53,866)
Income from dividends		1,908	12,735
Interest receivable and similar income	9	-	103
Interest payable and expenses	10	(182)	(56)
Profit/(loss) before tax		187,220	(41,084)
Tax on profit/(loss)	11	(19,627)	-
Profit/(loss) for the financial year		167,593	(41,084)

There was no other comprehensive income for 2020 (2019: \$NIL).

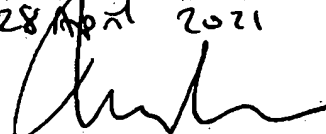
The notes on pages 16 to 25 form part of these financial statements.

Guinness Atkinson Asset Management, Inc.
Registered number: FC024762

Balance Sheet
As at 31 December 2020

	Note	2020 \$	2019 \$
Fixed assets			
Tangible assets	12	<u>1,226</u>	<u>4,716</u>
		1,226	4,716
Current assets			
Debtors: amounts falling due within one year	13	224,780	248,150
Current asset investments	14	605,598	609,951
Cash at bank and in hand	15	<u>608,056</u>	<u>463,266</u>
		1,438,434	1,321,367
Creditors: amounts falling due within one year	16	<u>(258,315)</u>	<u>(312,331)</u>
Net current assets		1,180,119	1,009,036
Total assets less current liabilities		1,181,345	1,013,752
Net assets		1,181,345	1,013,752
Capital and reserves			
Called up share capital	19	42	42
Share premium account	18	656,909	656,909
Profit and loss account	18	<u>524,394</u>	<u>356,801</u>
		1,181,345	1,013,752

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

28 April 2021


T Guinness
Director

The notes on pages 16 to 25 form part of these financial statements.



Guinness Atkinson Asset Management, Inc.

**Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2020	42	656,909	356,801	1,013,752
Comprehensive income for the year				
Profit for the year	-	-	167,593	167,593
At 31 December 2020	42	656,909	524,394	1,181,345

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2019	42	656,909	397,885	1,054,836
Comprehensive income for the year				
Loss for the year	-	-	(41,084)	(41,084)
At 31 December 2019	42	656,909	356,801	1,013,752

The notes on pages 16 to 25 form part of these financial statements.

Guinness Atkinson Asset Management, Inc.

**Statement of Cash Flows
For the Year Ended 31 December 2020**

	2020 \$	2019 \$
Cash flows from operating activities		
Profit/(loss) for the financial year	167,593	(41,084)
Adjustments for:		
Depreciation of tangible assets	3,490	3,732
Interest paid	182	56
Interest received	(1,908)	(12,838)
Taxation charge	19,627	-
Decrease/(increase) in debtors	23,370	(57,539)
(Decrease) in creditors	(124,544)	(46,353)
Foreign exchange movement on US branch reserves	(42,108)	15,578
Net cash generated from operating activities	45,702	(138,448)
Cash flows from investing activities		
Purchase of short term listed investments	(127,798)	(639,999)
Sale of short term listed investments	169,906	625,000
Interest received	-	103
Income from investments in related companies	1,908	12,735
Net cash from investing activities	44,016	(2,161)
Cash flows from financing activities		
Other new loans	50,901	-
Interest paid	(182)	(56)
Net cash used in financing activities	50,719	(56)
Net increase/(decrease) in cash and cash equivalents	140,437	(140,665)
Cash and cash equivalents at beginning of year	463,266	668,026
Current assets investments at the beginning of year	609,951	545,856
Cash and cash equivalents at the end of year	1,213,654	1,073,217
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	608,056	463,266
Current assets investments	605,598	609,951
	1,213,654	1,073,217

The notes on pages 16 to 25 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. Accounting policies

1.1 Legal form

Guinness Atkinson Asset Management Inc. (the company) is a limited liability company incorporated under the state law of Delaware, United States of America. The address of its registered office and principal place of business are disclosed on the company information page, at the front of these financial statements. The principal activity of the company is the provision of investment management services.

1.2 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 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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Revenue

Revenue is comprised of income recognised by the company in respect of investment management and performance fees, exclusive of Value Added Tax.

1.4 Going concern

The financial statements have been prepared on a going concern basis. This conclusion that going concern is the most appropriate basis follows the consideration of the company's future trading prospects, its working capital requirements and cashflows, as well as the on-going economic impact of the Covid-19 global pandemic, the impact of which the directors have now been able to assess. Taking into consideration the above and the company's wider contingency planning, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33% straight line
Fixtures and fittings	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. Accounting policies (continued)

1.8 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is US Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. Accounting policies (continued)

1.13 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 \$	2019 \$
Management fees	2,461,807	2,436,326
	<u>2,461,807</u>	<u>2,436,326</u>

Analysis of turnover by country:

	2020 \$	2019 \$
United Kingdom	974,272	973,521
USA	1,487,535	1,462,805
	<u>2,461,807</u>	<u>2,436,326</u>

Notes to the Financial Statements
For the Year Ended 31 December 2020

4. Directors' remuneration

	2020 \$	2019 \$
Directors' emoluments	258,990	258,990
	<u>258,990</u>	<u>258,990</u>

The highest paid director received remuneration of \$258,990 (2019 - \$258,990).

5. Other operating income and charges

	2020 \$	2019 \$
Gains on foreign exchange	16,238	15,813
Realised and unrealised gains on current asset investments	46,505	48,861
	<u>62,743</u>	<u>64,674</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020 \$	2019 \$
Depreciation of tangible fixed assets	720	720
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,602	14,140
Exchange differences in the year	<u>(16,238)</u>	<u>8,805</u>

7. Auditors' remuneration

	2020 \$	2019 \$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,862</u>	<u>12,525</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	710	645
FCA Compliance	1,030	970
	<u>1,740</u>	<u>1,615</u>

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	\$	\$
Wages and salaries	437,971	429,014
Social security costs	26,627	22,832
	464,598	451,846

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Employees	6	7

9. Interest receivable and similar income

	2020	2019
	\$	\$
Other interest receivable	-	103
	-	103

10. Interest payable and similar expenses

	2020	2019
	\$	\$
Bank interest payable	182	56
	182	56

11. Taxation

	2020	2019
	\$	\$
Corporation tax		
Current tax on profits for the year	19,627	-
Taxation on profit on ordinary activities	19,627	-

Notes to the Financial Statements
For the Year Ended 31 December 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 \$	2019 \$
Profit/(loss) on ordinary activities before tax	187,220	(41,084)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	35,572	(7,806)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	132,800	171
Capital allowances for year in excess of depreciation	(51)	(58)
Utilisation of tax losses	(47,340)	7,693
Profits relating to foreign branch subject to foreign tax	(100,916)	-
Increase or decrease in pension fund payables leading to an increase (decrease) in tax	(438)	-
Total tax charge for the year	19,627	-

12. Tangible fixed assets

	Plant and machinery \$	Fixtures and fittings \$	Total \$
Cost			
At 1 January 2020	8,769	2,512	11,281
At 31 December 2020	8,769	2,512	11,281
Depreciation			
At 1 January 2020	5,485	1,080	6,565
Charge for the year	2,770	720	3,490
At 31 December 2020	8,255	1,800	10,055
Net book value			
At 31 December 2020	514	712	1,226
At 31 December 2019	3,284	1,432	4,716

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

13. Debtors

	2020 \$	2019 \$
Trade debtors	213,540	183,997
Other debtors	4,353	49,669
Prepayments and accrued income	6,887	14,484
	<u>224,780</u>	<u>248,150</u>

14. Current asset investments

	2020 \$	2019 \$
Investments brought forward	609,951	545,856
Investment additions	127,798	639,999
Investment sales	(169,906)	(625,000)
Investment realised/unrealised gains/(losses)	37,755	49,096
	<u>605,598</u>	<u>609,951</u>

15. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	608,056	463,266
	<u>608,056</u>	<u>463,266</u>

16. Creditors: Amounts falling due within one year

	2020 \$	2019 \$
Other loans	50,901	-
Trade creditors	36,928	46,041
Corporation tax	19,627	-
Other taxation and social security	17,336	80,305
Other creditors	-	43,061
Accruals and deferred income	133,523	142,924
	<u>258,315</u>	<u>312,331</u>

9.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

17. Financial instruments

	2020 \$	As Restated 2019 \$
Financial assets		
Financial assets measured at fair value through profit or loss	605,598	609,951
Financial assets that are debt instruments measured at amortised cost	217,893	188,350
	<u>823,491</u>	<u>798,301</u>
Financial liabilities		
Financial liabilities that are debt instruments measured at amortised cost	<u>(262,825)</u>	<u>(237,534)</u>

Financial assets measured at fair value through profit or loss comprise seed capital investments held.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade creditors, other creditors and accrued expenses.

18. Reserves

Share capital

This represents the nominal value of shares that have been issued by the company.

Share premium account

This represents the amount paid in excess of the nominal value of shares that have been issued by the company.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

19. Share capital

	2020 \$	2019 \$
Allotted, called up and fully paid		
3,600 (2019 - 3,600) Ordinary shares of \$0.01 each	36	36
	<u>36</u>	<u>36</u>
Allotted, called up and partly paid		
574 (2019 - 574) Ordinary shares of \$0.01 each	6	6
	<u>6</u>	<u>6</u>

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

20. Related party transactions

During the year, the company transacted with Guinness Asset Management Limited, a company under common control. The total recharges from Guinness Asset Management Limited in regard to salaries and office rental were \$214,612 (2019: \$334,118) and the company paid \$258,172 during the year.

The total recharges from the company to Guinness Asset Management Limited in regard to administrative expenses were \$2,580 (2019: \$68,542) and the company received \$2,655 (2019: \$70,907) from Guinness Asset Management Limited during the year. At the balance sheet date the company owed \$Nil (2019: the company owed \$43,061) to Guinness Asset Management Limited.

21. Controlling party

The company is under the control of T Guinness and J Atkinson, both directors of the company, who between them own 85% of the issued share capital.