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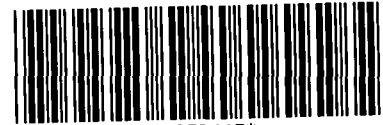
OS AA01 402953/20

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 NOT for**
You cannot use this form to
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COMPANIES HOUSE

Part 1**Corporate company name**Corporate name of
overseas company ①

GUINNESS 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 / FRS 102

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

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to Part 3 'Signature'.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

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

Name of organisation or body ●

INTERNATIONAL STANDARDS ON AUDITING (UK)

Part 3

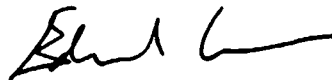
Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

**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:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

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For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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 2021

Guinness Atkinson Asset Management, Inc.

Company Information

Directors

J Atkinson
T Guinness
E Harriss
E Guinness

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
Second Floor
168 Shoreditch High Street
London
E1 6RA

Guinness Atkinson Asset Management, Inc.

Contents

| | Page |
|--|----------------|
| Strategic Report | 1 - 5 |
| Directors' Report | 6 - 7 |
| Independent Auditors' Report | 8 - 11 |
| Statement of Comprehensive Income | 12 |
| Balance Sheet | 13 |
| Statement of Changes in Equity | 14 |
| Statement of Cash Flows | 15 |
| Notes to the Financial Statements | 16 - 25 |

Guinness Atkinson Asset Management, Inc.

Strategic Report For the Year Ended 31 December 2021

Business review

During 2021 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 the Company managed for GA six US 40 Act mutual funds and five actively managed ETFs for GA. The funds were the GA China & Hong Kong Fund (ICHKX), the GA Asia Focus Fund (IASMX), the GA Renminbi Yuan & Bond Fund (GARBX), the GA Global Energy Fund (GAGEX), the GA Alternative Energy Fund (GAAEX) and the GA Global Innovators Fund (IWIRX). The ETFs were MOTO, and MRAD and SULR, which have achieved their first full calendar years in 2021. Finally, the Company achieved the first ever successful conversion of 40 Act mutual funds to ETFs for both the GA Asia Pacific Dividend Builder Fund (GAADX) and the GA Dividend Builder Fund (GAINX) converting to ADIV and DIVS respectively in March 2021. Further conversions of 40 Act mutual funds to ETFs are planned for GA Global Innovators in 2022 and other funds in the future.

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

| Year end funds under management | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | \$m | \$m | \$m | \$m |
| China & Hong Kong Fund | 58.3 | 78.2 | 56.7 | 67.6 | 66.6 | 56.8 |
| Asia Focus Fund | 15.5 | 20.2 | 15.1 | 17.5 | 19.1 | 16.4 |
| Asia Pacific Dividend Fund | 8.5 | 7.6 | 4.2 | 4.7 | 4.2 | - |
| Renminbi Yuan & Bond Fund | 2.3 | 2.6 | 2.2 | 1.5 | 3.9 | 5.4 |
| Subtotal | 84.6 | 108.6 | 78.2 | 91.3 | 93.7 | 78.6 |
| Global Energy Fund | 49.0 | 32.0 | 19.6 | 16.8 | 8.7 | 12.3 |
| Alternative Energy Fund | 10.2 | 10.7 | 7.9 | 9.3 | 26.5 | 32.2 |
| Global Innovators Fund | 159.4 | 230.0 | 165.4 | 181.0 | 202.9 | 225.9 |
| Dividend Builder Fund | 7.8 | 9.2 | 8.5 | 12.9 | 21.9 | - |
| MOTO Fund | | | | 2.6 | 7.1 | 16.6 |
| SULR Fund | | | | | 0.9 | 5.9 |
| MRAD Fund | | | | | 0.3 | 2.7 |
| ADIV Fund | | | | | | 4.2 |
| DIVS Fund | | | | | | 24.5 |
| Total (\$m) | 311.1 | 390.5 | 279.6 | 313.9 | 362.0 | 402.9 |
| Exchange rate | 1.2 | 1.4 | 1.3 | 1.3 | 1.4 | 1.4 |

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

| Fund | Value (\$m) 31-Dec-20 | inflows | outflows | net flows | market | conversion | Value (\$m) 31-Dec-21 |
|----------------------------|----------------------------------|----------------|-----------------|----------------------|---------------|-------------------|----------------------------------|
| Sustainable Energy Fund | 26.5 | 28.9 | -23.2 | 5.7 | -0.1 | 0.0 | 32.2 |
| Asia Focus Fund | 19.1 | 0.2 | -1.7 | -1.4 | -1.3 | 0.0 | 16.4 |
| Asia Pacific Dividend Fund | 4.2 | 0.1 | -0.3 | -0.2 | 0.3 | -4.4 | 0.0 |
| China & Hong Kong Fund | 66.6 | 0.6 | -5.7 | -5.1 | -4.8 | 0.0 | 56.8 |
| Dividend Builder Fund | 21.9 | 4.1 | -3.9 | 0.2 | 1.2 | -23.3 | 0.0 |
| Global Energy Fund | 8.7 | 9.0 | -9.0 | 0.0 | 3.5 | 0.0 | 12.3 |
| Global Innovators Fund | 202.9 | 22.4 | -37.3 | -14.8 | 37.9 | 0.0 | 225.9 |
| Renminbi Yuan & Bond Fund | 3.9 | 1.6 | -0.3 | 1.3 | 0.2 | 0.0 | 5.4 |
| Total ex ETFs | 353.8 | 67.0 | -81.2 | -14.2 | 37.0 | -27.7 | 348.9 |
| ETFs | 8.3 | 17.0 | -3.7 | 13.4 | 4.6 | 27.7 | 53.9 |
| Total | 362.0 | 84.0 | -84.9 | -0.9 | 41.6 | 0.0 | 402.8 |

Guinness Atkinson Asset Management, Inc.

Strategic Report (continued) For the Year Ended 31 December 2021

Business Environment

2021 was a broadly positive 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 market performance. Over the year the assets peaked to its maximum level in June 2021 when sentiment about the Covid-19 pandemic was most optimistic before dropping through to the 31st December 2021. The overall effect was average AUM over the year up by 34% in 2021 and most hearteningly the assets under management were up by 11%.

This positive element of the picture needs however to be tempered by a recognition that the AUM numbers at year end 2021 reflected a high point in markets. The S&P500 for example having started the year at 3,756 performed strongly reaching 4,766 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 out our own ETFs (albeit active) and being 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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Average for year | 312 | 347 | 369 | 300 | 302 | 406 |
| Year end | 311 | 391 | 280 | 314 | 362 | 403 |
| Financial results \$000s | | | | | | |
| Turnover | 2,606 | 2,905 | 3,040 | 2,436 | 2,462 | 3,258 |
| Profit/loss before tax | -496 | 38 | 169 | -41 | 187 | 560 |
| | | | | | | |
| Shareholders' funds | 848 | 886 | 1,055 | 1,014 | 1,181 | 1,741 |

We have a moderate profit in 2021 after a small profit in 2020. This is due to a significant increase in the turnover and a material reduction in the level of expense reimbursement to the funds because of the higher average asset under management in 2021 compared to 2020. These factors were partially offset by higher marketing costs in 2021 and an adjustment to the Guinness Atkinson / Guinness Asset Management London cost sharing agreement that is variable as Guinness Atkinson Net Revenue or Profit before Tax fluctuates. This still has the benefit that the Company does not slip back into a loss.

**Strategic Report (continued)
For the Year Ended 31 December 2021**

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.

Guinness Atkinson Asset Management, Inc.

Strategic Report (continued) For the Year Ended 31 December 2021

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.

Russian invasion of Ukraine

Management have considered the impact of the Russian invasion of Ukraine and its impact on the company's 2022 performance as well as the overall going concern of the business. While markets fell prior to the conflict starting on 24th February 2022, most equity markets have stabilized through March after the initial outbreak of war. We believe that the likelihood of a major market correction remains significant if the armed conflict is prolonged and if the West's sanctions are in place for the long run with the associated impact on global energy markets. Such an event might impact negatively on the company's revenues derived from the value of funds under management. Whether this result will be a relatively short-term economic and market impact, or a long-term impact remains 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.

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 2021 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.

Guinness Atkinson Asset Management, Inc.

Strategic Report (continued)
For the Year Ended 31 December 2021

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

A handwritten signature in black ink, appearing to read 'T Guinness', with a stylized, cursive script.

T Guinness
Director
Date: 25/04/2022

Guinness Atkinson Asset Management, Inc.

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to \$559,891 (2020: \$167,593).

Directors

The directors who served during the year were:

J Atkinson
T Guinness
E Harriss
E Guinness

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.

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 2021**

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 and signed on its behalf.



T Guinness
Director
Date: 25/04/2022

Guinness Atkinson Asset Management, Inc.

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 2021, 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 2021 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Guinness Atkinson Asset Management, Inc.

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

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to FCA regulations, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- 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. Capability of the audit in detecting irregularities, including fraud; and
- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Guinness Atkinson Asset Management, Inc.

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

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.

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: 26 April 2022

Guinness Atkinson Asset Management, Inc.

**Statement of Comprehensive Income
For the Year Ended 31 December 2021**

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------|------------------|
| Turnover | 4 | 3,258,330 | 2,461,807 |
| Cost of sales | | (1,284,820) | (886,477) |
| Gross profit | | 1,973,510 | 1,575,330 |
| Distribution costs | | (628,279) | (360,953) |
| Administrative expenses | | (851,508) | (1,091,626) |
| Other operating income | 6 | 55,624 | 62,743 |
| Operating profit | 7 | 549,347 | 185,494 |
| Income from dividends | | 9,813 | 1,908 |
| Interest receivable and similar income | 10 | 731 | - |
| Interest payable and expenses | 11 | - | (182) |
| Profit before tax | | 559,891 | 187,220 |
| Tax on profit | 12 | - | (19,627) |
| Profit for the financial year | | 559,891 | 167,593 |

There was no other comprehensive income for 2021 (2020: \$NIL).

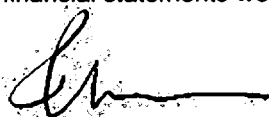
The notes on pages 16 to 25 form part of these financial statements.

Guinness Atkinson Asset Management, Inc.
Registered number: FC024762

Balance Sheet
As at 31 December 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------|------------|
| Fixed assets | | | |
| Tangible assets | 13 | - | 1,226 |
| | | - | 1,226 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 14 | 402,315 | 224,780 |
| Current asset investments | 15 | 510,086 | 605,598 |
| Cash at bank and in hand | 16 | 1,067,013 | 608,056 |
| | | 1,979,414 | 1,438,434 |
| Creditors: amounts falling due within one year | 17 | (238,178) | (258,315) |
| Net current assets | | 1,741,236 | 1,180,119 |
| Total assets less current liabilities | | 1,741,236 | 1,181,345 |
| Net assets | | 1,741,236 | 1,181,345 |
| Capital and reserves | | | |
| Called up share capital | 20 | 42 | 42 |
| Share premium account | 19 | 656,909 | 656,909 |
| Profit and loss account | 19 | 1,084,285 | 524,394 |
| | | 1,741,236 | 1,181,345 |

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



T Guinness
 Director
 Date: 25/04/2022

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 2021**

| | 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 1 January 2021 | 42 | 656,909 | 524,394 | 1,181,345 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 559,891 | 559,891 |
| At 31 December 2021 | 42 | 656,909 | 1,084,285 | 1,741,236 |

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 2021**

| | 2021 \$ | As restated 2020 \$ |
|---|-------------------------|---------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 559,891 | 167,593 |
| Adjustments for: | | |
| Depreciation of tangible assets | 1,226 | 3,490 |
| Interest paid | - | 182 |
| Interest received and income from dividends | (10,544) | (1,908) |
| Taxation charge | - | 19,627 |
| (Increase)/decrease in debtors | (177,535) | 23,370 |
| (Decrease) in creditors | (510) | (124,544) |
| Net fair value gains recognised in P&L | (2,845) | (37,755) |
| Corporation tax (paid)/received | (19,627) | - |
| Net cash generated from operating activities | <u>350,056</u> | <u>50,055</u> |
| Cash flows from investing activities | | |
| Purchase of short-term listed investments | (27,543) | (127,798) |
| Sale of short-term listed investments | 125,900 | 169,906 |
| Interest received | 731 | - |
| Income from investments in related companies | 9,813 | 1,908 |
| Net cash from investing activities | <u>108,901</u> | <u>44,016</u> |
| Cash flows from financing activities | | |
| Other new loans | - | 50,901 |
| Interest paid | - | (182) |
| Net cash used in financing activities | <u>-</u> | <u>50,719</u> |
| Net increase in cash and cash equivalents | <u>458,957</u> | <u>144,790</u> |
| Cash and cash equivalents at beginning of year | <u>608,056</u> | <u>463,266</u> |
| Cash and cash equivalents at the end of year | <u><u>1,067,013</u></u> | <u><u>608,056</u></u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | <u>1,067,013</u> | <u>608,056</u> |
| | <u><u>1,067,013</u></u> | <u><u>608,056</u></u> |

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

Guinness Atkinson Asset Management, Inc.

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 3).

The following principal accounting policies have been applied:

2.2 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 economic impact of the Russian invasion of Ukraine, the impact of which the directors have now been able to assess.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

2.4 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.

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 profit or loss.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.5 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.

2.6 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.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.7 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 Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Statement of Comprehensive Income.

2.8 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.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.10 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Taxation

Tax is recognised in profit or loss 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.

3. 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.

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

4. Turnover

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

| | 2021 \$ | 2020 \$ |
|-----------------|------------------|------------------|
| Management Fees | 3,258,330 | 2,461,807 |
| | <u>3,258,330</u> | <u>2,461,807</u> |

Analysis of turnover by country of destination:

| | 2021 \$ | 2020 \$ |
|----------------|------------------|------------------|
| United Kingdom | 651,665 | 974,272 |
| USA | 2,606,665 | 1,487,535 |
| | <u>3,258,330</u> | <u>2,461,807</u> |

5. Directors' remuneration

| | 2021 \$ | 2020 \$ |
|-----------------------|----------------|----------------|
| Directors' emoluments | 258,990 | 258,990 |
| | <u>258,990</u> | <u>258,990</u> |

The highest paid director received remuneration of \$258,990 (2020 - \$258,990).

6. Other operating income and charges

| | 2021 \$ | 2020 \$ |
|--|---------------|---------------|
| (Losses)/Gains on foreign exchange | (4,812) | 16,238 |
| Realised and unrealised gains on current asset investments | 9,535 | 46,505 |
| Covid-19 loan forgiveness | 50,901 | - |
| | <u>55,624</u> | <u>62,743</u> |

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

7. Operating profit

The operating profit is stated after charging:

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Depreciation of tangible fixed assets | 1,226 | 720 |
| Investment management research | 71 | - |
| Fees payable to the company's auditor and its associate for the audit of the Company's annual financial statements | 16,577 | 15,602 |
| Exchange differences in the year | 4,812 | (16,238) |
| | <u> </u> | <u> </u> |

8. Auditors' remuneration

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 13,934 | 13,862 |
| | <u> </u> | <u> </u> |

Fees payable to the Company's auditor and its associates in respect of:

| | | |
|------------------------------|-------------------|-------------------|
| Taxation compliance services | 822 | 710 |
| FCA Compliance | 1,200 | 1,030 |
| All other services | 1,623 | - |
| | <u> </u> | <u> </u> |
| | 3,645 | 1,740 |
| | <u> </u> | <u> </u> |

9. Employees

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

| | 2021 | 2020 |
|-----------------------|-------------------|-------------------|
| | \$ | \$ |
| Wages and salaries | 499,885 | 437,971 |
| Social security costs | 30,036 | 26,627 |
| | <u> </u> | <u> </u> |
| | 529,921 | 464,598 |
| | <u> </u> | <u> </u> |

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

| | 2021 | 2020 |
|-----------|-------------------|-------------------|
| | No. | No. |
| Employees | 7 | 6 |
| | <u> </u> | <u> </u> |

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

10. Interest receivable and similar income

| | 2021 \$ | 2020 \$ |
|---------------------------|------------|------------|
| Other interest receivable | 731 | - |
| | <u>731</u> | <u>-</u> |

11. Interest payable and similar expenses

| | 2021 \$ | 2020 \$ |
|-----------------------|------------|------------|
| Bank interest payable | - | 182 |
| | <u>-</u> | <u>182</u> |

12. Taxation

| | 2021 \$ | 2020 \$ |
|-------------------------------------|------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 19,627 |
| Total current tax | <u>-</u> | <u>19,627</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

| | 2021 \$ | 2020 \$ |
|--|------------|---------------|
| Profit on ordinary activities before tax | 559,891 | 187,220 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 106,379 | 35,572 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 3,874 | 132,800 |
| Capital allowances for year in excess of depreciation | (178) | (51) |
| Utilisation of tax losses | - | (47,340) |
| Profits related to foreign branch subject to foreign tax | (110,075) | (100,916) |
| Increase or decrease in pension fund payables leading to an increase (decrease) in tax | - | (438) |
| Total tax charge for the year | <u>-</u> | <u>19,627</u> |

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

13. Tangible fixed assets

| | Plant and machinery \$ | Fixtures and fittings \$ | Total \$ |
|-----------------------|---------------------------------------|---|---------------------|
| Cost | | | |
| At 1 January 2021 | 8,769 | 2,512 | 11,281 |
| At 31 December 2021 | 8,769 | 2,512 | 11,281 |
| Depreciation | | | |
| At 1 January 2021 | 8,255 | 1,800 | 10,055 |
| Charge for the year | 514 | 712 | 1,226 |
| At 31 December 2021 | 8,769 | 2,512 | 11,281 |
| Net book value | | | |
| At 31 December 2021 | - | - | - |
| At 31 December 2020 | 514 | 712 | 1,226 |

14. Debtors

| | 2021 \$ | 2020 \$ |
|--------------------------------|--------------------|--------------------|
| Trade debtors | 288,897 | 213,540 |
| Other debtors | 101,282 | 4,353 |
| Prepayments and accrued income | 12,136 | 6,887 |
| | 402,315 | 224,780 |

15. Current asset investments

| | 2021 \$ | 2020 \$ |
|---|--------------------|--------------------|
| Investments brought forward | 605,598 | 609,951 |
| Investment additions | 27,543 | 127,798 |
| Investment sales | (125,900) | (169,906) |
| Investment realised/unrealised gains/(losses) | 2,845 | 37,755 |
| | 510,086 | 605,598 |

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

16. Cash and cash equivalents

| | 2021 \$ | 2020 \$ |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | 1,067,013 | 608,056 |
| | <u>1,067,013</u> | <u>608,056</u> |

17. Creditors: Amounts falling due within one year

| | 2021 \$ | 2020 \$ |
|------------------------------------|----------------|----------------|
| Other loans | - | 50,901 |
| Trade creditors | 90,120 | 36,928 |
| Corporation tax | - | 19,627 |
| Other taxation and social security | 6,020 | 17,336 |
| Accruals and deferred income | 142,038 | 133,523 |
| | <u>238,178</u> | <u>258,315</u> |

18. Financial instruments

| | 2021 \$ | 2020 \$ |
|--|----------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 510,086 | 605,598 |
| | <u>510,086</u> | <u>605,598</u> |

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

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

Guinness Atkinson Asset Management, Inc.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

20. Share capital

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Allotted, called up and fully paid | | |
| 3,600 (2020 - 3,600) Ordinary shares of \$0.01 each | 36 | 36 |
| | <u> </u> | <u> </u> |
| Allotted, called up and partly paid | | |
| 574 (2020 - 574) Ordinary shares of \$0.01 each | 6 | 6 |
| | <u> </u> | <u> </u> |

21. 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 \$564,247 (2020: \$214,612) and the company paid \$509,779 (2020: \$258,172) during the year.

The total recharges from the company to Guinness Asset Management Limited in regard to administrative expenses were \$2,387 (2020: \$2,580) and the company received \$2,320 (2020: \$2,655) from Guinness Asset Management Limited during the year. At the balance sheet date the company owed \$54,552 (2020: \$Nil) to Guinness Asset Management Limited.

22. 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.