

Registration number: 02646338

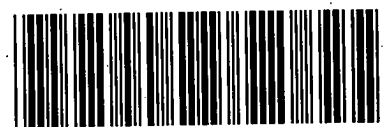
Chaintech (UK) Limited

Abbreviated Accounts

for the Year Ended 31 December 2013

Rödl & Partner Limited
170 Edmund Street
Birmingham
B3 2HB

MONDAY



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COMPANIES HOUSE

Chaintech (UK) Limited
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Independent Auditor's Report to Chaintech (UK) Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 4 to 8 together with the financial statements of Chaintech (UK) Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

The director is responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 16.06.14 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the companies Act 2006 and our report was as follows:

We have audited the financial statements of Chaintech (UK) Limited for the year ended 31 December 2013, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Statement of Director's Responsibilities (set out on page 3), the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Independent Auditor's Report to Chaintech (UK) Limited
Under section 449 of the Companies Act 2006

..... continued

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

In the prior period we were unable to satisfy ourselves concerning stock quantities at the beginning or at the end of the period. Since opening and closing stocks enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the current year and the prior period reported in the profit and loss account.

Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss after tax of £124,265 during the year ended 31 December 2013 and, at that date, the company's total liabilities exceeded its total assets by £676,956. These conditions, along with the company's reliance on the ultimate parent company's ongoing financial support as explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to Chaintech (UK) Limited
Under section 449 of the Companies Act 2006

..... *continued*

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the director was not entitled to prepare the financial statements and the Director's Report in accordance with the small companies regime.



.....
Imran Farooq (Senior Statutory Auditor)
For and on behalf of Rödl & Partner Limited, Statutory Auditor

170 Edmund Street
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B3 2HB

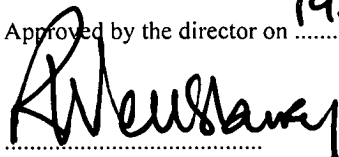
Date: *16th June 2014*

Chaintech (UK) Limited
(Registration number: 02646338)
Abbreviated Balance Sheet at 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Fixed assets			
Tangible fixed assets	2	<u>55,027</u>	<u>37,220</u>
Current assets			
Stocks		693,740	466,863
Debtors		272,512	270,447
Cash at bank and in hand		<u>19,921</u>	<u>17,185</u>
		986,173	754,495
Creditors: Amounts falling due within one year		<u>(980,829)</u>	<u>(317,438)</u>
Net current assets		<u>5,344</u>	<u>437,057</u>
Total assets less current liabilities		60,371	474,277
Creditors: Amounts falling due after more than one year		(735,527)	(1,014,113)
Provisions for liabilities		<u>(1,800)</u>	<u>(12,855)</u>
Net liabilities		<u>(676,956)</u>	<u>(552,691)</u>
Capital and reserves			
Called up share capital	3	1,000	1,000
Profit and loss account		<u>(677,956)</u>	<u>(553,691)</u>
Shareholder's deficit		<u>(676,956)</u>	<u>(552,691)</u>

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

Approved by the director on 19.05.2014



Mr R G Wellsbury
Director

Chaintech (UK) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2013

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going concern

The company incurred a loss of £124,265 for the year ended 31 December 2013 (period ended 31 December 2012: loss of £373,418) and has a deficit of net assets of £676,956 at 31 December 2013 (period ended 31 December 2012: deficit £552,691). Due to the continued losses the company is dependant upon the financial support from its ultimate parent company. The directors have obtained written confirmation from the ultimate parent company that it will provide or procure such funding as may be required by the company to settle all liabilities as they fall due for a period of at least twelve months from the approval of these financial statements. After making enquiries and considering the uncertainties, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Revenue is recognised on the dispatch of goods to the customer or the provision of services.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% on reducing balance
Fixtures and fittings	10% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	25% on cost

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Independent Auditor's Report to Chaintech (UK) Limited

Under section 449 of the Companies Act 2006

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For and on behalf of Rödl & Partner Limited, Statutory Auditor

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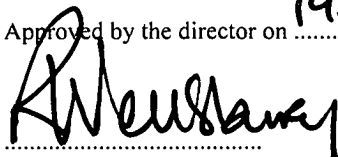
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Chaintech (UK) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2013

..... continued

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Chaintech (UK) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2013

..... *continued*

2 Fixed assets

	Tangible assets £	Total £
Cost		
At 1 January 2013	78,241	78,241
Additions	40,440	40,440
Disposals	<u>(28,549)</u>	<u>(28,549)</u>
At 31 December 2013	<u>90,132</u>	<u>90,132</u>
Depreciation		
At 1 January 2013	41,021	41,021
Charge for the year	13,183	13,183
Eliminated on disposals	<u>(19,099)</u>	<u>(19,099)</u>
At 31 December 2013	<u>35,105</u>	<u>35,105</u>
Net book value		
At 31 December 2013	<u>55,027</u>	<u>55,027</u>
At 31 December 2012	<u>37,220</u>	<u>37,220</u>

3 Share capital

Allotted, called up and fully paid shares

	31 December 2013		31 December 2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

4 Prior period adjustments

It was identified in the prior period that in previous years the company had not correctly accounted for a debtor balance. Accordingly, adjustments were made in the prior period financial statements to reflect the effects of the above mentioned transactions.

As a result of the prior year adjustments the profit and loss reserve at 31 March 2011 was restated to a deficit of £48,477 (originally stated as £20,917). At 31 March 2012 the profit and loss reserve was restated to a deficit of £180,273 (originally stated as a deficit of £131,108).

Chaintech (UK) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2013

..... continued

5 Control

The company is controlled by Donghua Limited, the parent company, which own's 100% of the issued share capital of Chaintech (UK) Limited. The ultimate controlling party is Hangzhou Donghua Chain Group Co Limited, a company registered in China. The financial statements of the ultimate controlling party are not publicly available.