

# Asian Sourcing Link UK Limited

Annual Report and Financial Statements  
for the Year Ended 31 March 2022

Wenn Townsend  
Chartered Accountants and Registered Auditors  
30 St Giles'  
Oxford  
OX1 3LE

# Asian Sourcing Link UK Limited

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# **Asian Sourcing Link UK Limited**

## **Company Information**

**Directors** Mr A N W Pettigrew  
Mr J Pollock

**Company secretary** Mr J Pollock

**Registered office** 30 St Giles'  
Oxford  
OX1 3LE

**Auditors** Wenn Townsend  
Chartered Accountants and Registered Auditors  
30 St Giles'  
Oxford  
OX1 3LE

## **Asian Sourcing Link UK Limited**

### **Strategic Report for the Year Ended 31 March 2022**

The directors present their strategic report for the year ended 31 March 2022.

#### **Principal activity**

The principal activity of the company is the production of advertising and marketing goods.

#### **Fair review of the business**

In the year ended 31 March 2022, the company achieved turnover of £8.3m (2021: £13.6m) and generated a gross margin of £1.3m (2021 £2.7m).

The Profit and Loss Account and Other Comprehensive Income of the Company is set out on page 9.

## Asian Sourcing Link UK Limited

### Strategic Report for the Year Ended 31 March 2022

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Revenue	£000	8,305	13,578
Gross Margins	£000	1,303	2,728
Net Profit/(Loss) Before Tax	£000	(237)	487

#### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key operational business risks and uncertainties that affect the Company are considered to be:

##### Actions of Competition

The company operates in an industry which has seen considerable consolidation over the last three years, with three major competitors merging together to form a dominant player (\$2 billion+ revenues) in our space. These mergers have been positive for the company as reduced competition has resulted in new contract wins for the company across multiple regions and increased revenues across our global network. The high cost of entry into the industry means that we expect to maintain this success and exploit the limited competition in the market with significant growth in FY23 and FY24 forecasted.

##### Exposure to Liquidity Risk

The company has a strong liquidity position, but liquidity risk is present due to potential unforeseen events that could impact cash flow. To counter this the business reviews its liquidity position on a weekly basis and maintains adequate cash reserves to ensure that it can meet its obligations.

##### Credit Risk

The company has credit risks associated with its customers and suppliers. This risk is mitigated partially due to nature of our clients, who tend to be large multi-national FMCG's and also by the processes and procedures we have in place. These include weekly reviews of aged debt and pro-active monitoring of payment patterns.

##### Foreign Currency Risk

The company operates in multiple geographies and is exposed to foreign currency risk. The company manages this risk by using currency hedging instruments such as forward contracts and options.

In conclusion the Company is aware of several risks and uncertainties that could impact the company's operations and financial performance. We continue to monitor these risks closely and implement appropriate measures to mitigate them. We believe that the company's strong focus on innovation, diversification, and operational excellence will position it for continued growth and success.

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:

.....

Mr A N W Pettigrew  
Director

## **Asian Sourcing Link UK Limited**

### **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr A N W Pettigrew

Mr J Pollock

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:

.....

Mr A N W Pettigrew

Director

## **Asian Sourcing Link UK Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

# **Asian Sourcing Link UK Limited**

## **Independent Auditor's Report to the Members of Asian Sourcing Link UK Limited**

### **Opinion**

We have audited the financial statements of Asian Sourcing Link UK Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, 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 March 2022 and of its loss 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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 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 auditor's 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.



# **Asian Sourcing Link UK Limited**

## **Independent Auditor's Report to the Members of Asian Sourcing Link UK Limited**

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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:

- 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 Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor Responsibilities for the audit of the financial statements**

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

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

## **Asian Sourcing Link UK Limited**

### **Independent Auditor's Report to the Members of Asian Sourcing Link UK Limited**

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

.....  
Benjamin Hayes BSc FCA (Senior Statutory Auditor)  
For and on behalf of Wenn Townsend, Statutory Auditor  
30 St Giles'  
Oxford  
OX1 3LE

11 May 2023

# Asian Sourcing Link UK Limited

## Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	8,304,500	13,578,041
Cost of sales		<u>(7,001,510)</u>	<u>(10,850,379)</u>
Gross profit		1,302,990	2,727,662
Administrative expenses		(1,743,181)	(2,666,936)
Other operating income	<u>4</u>	<u>154,323</u>	<u>181,888</u>
Operating (loss)/profit	<u>5</u>	<u>(285,868)</u>	<u>242,614</u>
Interest payable and similar expenses	<u>6</u>	<u>49,167</u>	<u>244,831</u>
		<u>49,167</u>	<u>244,831</u>
(Loss)/profit before tax		(236,701)	487,445
Taxation	<u>10</u>	<u>(128,000)</u>	-
(Loss)/profit for the financial year		<u><u>(364,701)</u></u>	<u><u>487,445</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Asian Sourcing Link UK Limited**  
**(Registration number: 05985054)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<u>11</u>	51,502	67,596
<b>Current assets</b>			
Stocks	<u>12</u>	698,646	-
Debtors	<u>13</u>	7,947,652	6,221,819
Cash at bank and in hand		1,890,960	362,570
		10,537,258	6,584,389
<b>Creditors: Amounts falling due within one year</b>	<u>15</u>	(10,802,728)	(6,501,252)
<b>Net current (liabilities)/assets</b>		(265,470)	83,137
<b>Net (liabilities)/assets</b>		(213,968)	150,733
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Retained earnings		(214,968)	149,733
Shareholders' (deficit)/funds		(213,968)	150,733

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:

.....  
Mr A N W Pettigrew  
Director

# Asian Sourcing Link UK Limited

## Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Retained earnings £	Total £
At 1 April 2021	1,000	149,733	150,733
Loss for the year	-	(364,701)	(364,701)
At 31 March 2022	1,000	(214,968)	(213,968)
	Share capital £	Retained earnings £	Total £
At 1 April 2020	1,000	(337,712)	(336,712)
Profit for the year	-	487,445	487,445
At 31 March 2021	1,000	149,733	150,733

# Asian Sourcing Link UK Limited

## Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(364,701)	487,445
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	59,821	35,442
Finance costs	<u>6</u>	79,643	103,926
Income tax expense	<u>10</u>	128,000	-
		(97,237)	626,813
Working capital adjustments			
(Increase)/decrease in stocks	<u>12</u>	(698,646)	398,202
(Increase)/decrease in trade debtors	<u>13</u>	(1,725,833)	1,189,651
Increase/(decrease) in trade creditors	<u>15</u>	2,934,479	(461,832)
Net cash flow from operating activities		<u>412,763</u>	<u>1,752,834</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(43,727)	(9,355)
<b>Cash flows from financing activities</b>			
Interest paid	<u>6</u>	(79,643)	(103,926)
Repayment of other borrowing		<u>346,422</u>	<u>(1,410,147)</u>
Net cash flows from financing activities		<u>266,779</u>	<u>(1,514,073)</u>
Net increase in cash and cash equivalents		635,815	229,406
Cash and cash equivalents at 1 April		<u>30,013</u>	<u>(199,393)</u>
Cash and cash equivalents at 31 March		<u><u>665,828</u></u>	<u><u>30,013</u></u>

# **Asian Sourcing Link UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **1 General information**

The company is a private company limited by share capital, incorporated in the UK.

The address of its registered office is:

30 St Giles'  
Oxford  
OX1 3LE

The principal place of business is:

The Coach House and Lodge  
Grimsbury Green  
Banbury  
Oxfordshire  
OX16 3JQ

These financial statements were authorised for issue by the Board on 11 May 2023.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the directors consider this to be appropriate based on their latest assessment of the company forecasts and projections. Despite net current liabilities at the 31st March 2022 year end, group operations and profits remain strong and the UK is also expecting to return to profit in 2023. Continued parent company support is available as required, with the UK entity a key component for its global operations, and there are no indications of any issues with regards to bank finance. Based on this, the directors are satisfied that the company remains a going concern.

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenditure in the year. The nature of estimation means that the actual outcomes could differ on those estimates, although they are continually evaluated and are based on historical experience and other factors.

The only estimate/assumption deemed to have a significant impact on the carrying values in the accounts as at the year end relate to the potential for bad debts on trade debtors, and any associated bad debt provision. As at the year end, trade debtors totalled £3,357k (2021: £2,944k).

### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	5 years straight line



# **Asian Sourcing Link UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	8,304,500	13,578,041

The analysis of the company's Turnover for the year by market is as follows:

	2022 £	2021 £
UK	2,521,979	5,158,053
Europe	5,627,880	8,419,988
Rest of world	154,641	-
	8,304,500	13,578,041

### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £	2021 £
Management charges receivable	154,323	181,888

### 5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	59,821	35,442
Operating lease expense - property	53,812	57,395

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 6 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	79,643	103,926
Foreign exchange losses	(128,810)	(348,757)
	<u>(49,167)</u>	<u>(244,831)</u>

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	732,249	1,565,189
Social security costs	222,428	182,530
Pension costs, defined contribution scheme	53,087	42,732
	<u>1,007,764</u>	<u>1,790,451</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Other departments	32	33
	<u>32</u>	<u>33</u>

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	<u>85,432</u>	<u>73,282</u>

### 9 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>14,750</u>	<u>24,000</u>

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Foreign tax adjustment to prior periods	128,000	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
(Loss)/profit before tax	(236,701)	487,445
Corporation tax at standard rate	(44,973)	92,615
Effect of expense not deductible in determining taxable profit (tax loss)	400	(2,822)
Effect of tax losses	44,064	(96,217)
Increase in UK and foreign current tax from adjustment for prior periods	128,000	-
Tax increase from effect of capital allowances and depreciation	509	6,424
Total tax charge	128,000	-

The Company has a potential deferred tax asset in respect of taxable losses, which are available to be offset against future UK taxable profits. This has been calculated at a rate of 19% (2021: 19%). As at 31st March 2022 the amount not recognised was c£153,000 (2021: £112,000).

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 11 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 April 2021	171,766	171,766
Additions	43,727	43,727
At 31 March 2022	215,493	215,493
<b>Depreciation</b>		
At 1 April 2021	104,170	104,170
Charge for the year	59,821	59,821
At 31 March 2022	163,991	163,991
<b>Carrying amount</b>		
At 31 March 2022	51,502	51,502
At 31 March 2021	67,596	67,596

### 12 Stocks

	2022 £	2021 £
Other inventories	698,646	-

### 13 Debtors

	Note	2022 £	2021 £
<b>Current</b>			
Trade debtors		3,357,621	2,943,830
Owed by/(from) group undertakings	<u>20</u>	4,325,397	3,173,010
Prepayments		264,634	104,979
		7,947,652	6,221,819

The company sold with recourse trade receivables to a bank for cash proceeds. The trade receivables have not been derecognised from the balance sheet, because the company retains substantially all of the risks and rewards - primarily credit risk. The amount received on transfer has been recognised as factoring financing in note 14. In relation to the financing, the company has given charge on some of the assets.

As at 31 March 2022 the carrying amount of trade receivables transferred to a bank was £1,665,657 (2021: £1,319,549) and the carrying amount of the associated liabilities was £1,665,657 (2021: £1,319,235).

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	1,890,960	362,570
Bank overdrafts	(1,225,132)	(332,557)
Cash and cash equivalents in statement of cash flows	665,828	30,013

### 15 Creditors

	Note	2022 £	2021 £
<b>Due within one year</b>			
Loans and borrowings	<u>18</u>	2,890,789	1,651,792
Trade creditors		1,448,543	833,659
Amounts due to related parties	<u>20</u>	5,949,045	3,447,559
Social security and other taxes		13,717	51,645
Other payables		372,634	516,597
Income tax liability	<u>10</u>	128,000	-
		10,802,728	6,501,252

### 16 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £53,087 (2021 - £42,732).

### 17 Share capital

#### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
1000 ordinary shares of £1 each	1,000	1,000	1,000	1,000

# Asian Sourcing Link UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 18 Loans and borrowings

	2022 £	2021 £
<b>Current loans and borrowings</b>		
Bank overdrafts	1,225,132	332,557
Factoring financing	1,665,657	1,319,235
	<u>2,890,789</u>	<u>1,651,792</u>

### 19 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	37,000	37,000
Later than one year and not later than five years	15,417	52,417
	<u>52,417</u>	<u>89,417</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £53,812 (2021 - £57,395).

### 20 Related party transactions

#### Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	85,432	73,282

#### Summary of transactions with other related parties

Transactions with other group entities

The Company, being a wholly owned subsidiary undertaking of Asian Sourcing Link Limited, has taken advantage of the exemptions available to it under FRS 102 with respect to the disclosure of related party transactions with other group entities.

Amounts due to and from group undertakings are payable on demand and bear no interest.

### 21 Parent and ultimate parent undertaking

The company's immediate parent is Asian Sourcing Link Limited, incorporated in Hong Kong.

The most senior parent entity producing publicly available financial statements is Asian Sourcing Link Limited. These financial statements are available upon request from the parent company.

The ultimate controlling party is Mr A N Pettigrew.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.