

REGISTERED : 07216586  
NUMBER

**ALLGREENTECH INTERNATIONAL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2015**

TUESDAY



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|   | <b>Page</b> |
|---|-------------|
| <b>Officers and Professional Advisors</b>                           | <b>2</b>    |
| <b>Strategic Report</b>   | <b>3</b>    |
| <b>Report of the Directors</b>                                      | <b>5</b>    |
| <b>Report of the Independent Auditor</b>                            | <b>7</b>    |
| <b>Consolidated Statement of Comprehensive Income</b>               | <b>9</b>    |
| <b>Consolidated and Company Statement of Financial Position</b>     | <b>10</b>   |
| <b>Consolidated and Company Statements of<br/>Changes in Equity</b> | <b>12</b>   |
| <b>Consolidated and Company Statements of Cash Flows</b>            | <b>14</b>   |
| <b>Notes to the Financial Statements</b>                            | <b>16</b>   |

|                            |  |
|----------------------------|--|
| <b>Directors</b>           | Ms M Kaur<br>G Singh   |
| <b>Secretary</b>           | Tricor Corporate Secretaries Limited   |
| <b>Registered Office</b>   | Tricor Suite<br>4 <sup>th</sup> Floor<br>50 Mark Lane<br>London<br>EC3R 7QR                        |
| <b>Independent Auditor</b> | PKF Littlejohn LLP<br>Statutory Auditor<br>1 Westferry Circus<br>Canary Wharf<br>London<br>E14 4HD |
| <b>Registered Number</b>   | 07216586   |

The Directors of the Company and its subsidiary undertakings (which together comprise the Group) present their Strategic Report on the Group for the year ended 31 December 2015.

### Principal Activities

The principal activities of the Group are hot dip metal galvanising, trading in consumables including high grade zinc and land and property management.

The principal activity of the Company continued to be that of an investment holding company.

### Results and Dividends

The profit for the year before taxation amounted to £848,488 (2014 – profit of £2,124,610). The profit after taxation amounted to £689,779 (2014 – profit of £1,754,438).

No dividends were paid in the year (2014 – £nil).

### Organisation Review

The Board is responsible for providing strategic direction for the Group. This incorporates setting out objectives, management policies and performance criteria. The Board assesses its performance against these on a monthly basis.

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

Ms M Kaur  
N Singh (resigned 30 September 2015)  
G Singh

### Review of the Business

During the year the Group expanded their Malaysian Ringgit denominated trading activities within all of their principal markets, particularly from steel galvanising and from trading in consumables. The Group continued to invest in infrastructure whilst maintaining close control over working capital. The Group has consciously utilised higher grade zinc in its steel galvanising processes in order to deliver a higher quality product, at the expense of lower margins compared to the previous year.

### Key Performance Indicators

The Board monitors the overall performance of the Group by reference to Key Performance Indicators (“KPIs”). KPIs for the year, together with comparative data, are presented below:

| Key area            | Activity   | KPI indicator                         | Commentary  |
|---------------------|--|---------------------------------------|---|
| Revenue             | Monitoring sales against budget and prior years on a daily, weekly and monthly basis | Turnover                              | The Group has achieved increases in revenues from its principal activities; steel galvanising (2.7%) offset by a fall in trading in consumables (14%).  |
| Gross profit margin | Analysis of sales by activity  | Gross Profit as a percentage of sales | Gross Profit margin at 11.9% was down on last year's margin of 23.4% and is attributable to steel galvanising, where the Group has used higher grade zinc and other higher quality products in order to achieve performance improvements against oxidation and corrosion. |
| Operating margins   | Managing the ratio of raw materials and personnel costs to sales performance         | Ratio of operating costs to sales     | Excluding the effect of ‘other gains’ in 2015 and 2014, operating margins fell from 13.7% to 5.5% due to the impact of higher cost of sales and movements in foreign currency exchange. Administrative expenses continue to be controlled.                                |

**Principal Risks and Uncertainties**

The Group's activities expose it to a variety of risks and uncertainties.

***Market risk***

The Group operates in an international market for high grade zinc and other products and is exposed to risk arising from variations in the demand for and price of those products. Zinc prices historically have fluctuated widely and are affected by numerous factors over which the Group does not have any control, including world production levels, international economic trends, currency exchange fluctuations, inflation, speculative activity, consumption patterns and global or regional political events.

***Production risks***

The Group is primarily an operator of hot dip metal galvanising plants. There are significant risks and hazards inherent in hot dip metal galvanising, including environmental hazards, industrial incidents and labour disputes. The occurrence of any of these hazards can delay or interrupt production and increase production costs.

***Environmental risk***

The Group's operations are subject to environmental regulation in all the jurisdictions in which it operates. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Group's operations. There can be no assurance that such new environmental legislation once implemented will not oblige the Group to incur significant expenses and undertake significant investments.

**Financial Risk Management**

The Group has a risk management programme in place that seeks to limit the effects on financial performance from adverse movements in raw materials, counterparty, liquidity and interest rate risk. The Company also seeks to protect itself from exposure to regulatory risk, in particular in areas of employment law and health & safety legislation. The Company's risk register is continually reviewed and updated on a regular basis. Project milestones and timelines are regularly reviewed.

This report was approved by the Board on 28 September 2016 and signed on its behalf:



G Singh  
Director

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2015.

### **Future Developments**

The Group will seek to continue to grow turnover and profitability in the future either organically or through suitable acquisitions.

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

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Under that law the Directors have elected to prepare the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the applicable IFRS's as adopted by the European Union have been followed; subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a 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 the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

### **Going Concern**

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

**Provision of Information to Auditor**


So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

PKF Littlejohn LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the board on 28 September 2016 and signed on its behalf:



G Singh  
Director

**Independent Auditor's Report to the members of Allgreentech International Limited**

We have audited the Financial Statements of Allgreentech International Limited for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flow, the Consolidated and Parent Company Statements of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Directors and Auditor**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are 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 Ethical Standards for Auditors.

**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 Group and Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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.

**Opinion on Financial Statements**

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.



**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

*PKF Littlejohn LLP*

David Thompson (Senior statutory auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

28 September 2016

|   | Note | Year ended<br>31 December<br>2015<br>£ | Year ended<br>31 December<br>2014<br>£ |
|---|------|--|--|
| <b>Continuing Operations</b>  |      |  |  |
| Revenue   |      | 8,918,670                              | 8,981,255                              |
| Cost of sales   | 6    | (7,853,716)                            | (6,879,626)                            |
| <b>Gross Profit</b>   |      | <b>1,064,954</b>                       | <b>2,101,629</b>                       |
| Administrative expenses   | 6    | (937,243)                              | (1,057,536)                            |
| Other operating income/(expense) - net  | 9    | 366,163                                | 182,773                                |
| Other gains   | 10   | 459,691                                | 1,020,370                              |
| <b>Operating Profit</b>   |      | <b>953,565</b>                         | <b>2,247,236</b>                       |
| Finance costs   | 12   | (47,304)                               | (122,626)                              |
| Share of loss of associates   | 15   | (57,773)                               | -                                      |
| <b>Profit before Tax</b>  |      | <b>848,488</b>                         | <b>2,124,610</b>                       |
| Taxation  | 11   | (158,709)                              | (370,172)                              |
| <b>Profit for the year attributable to owners of the parent</b>                         |      | <b>689,779</b>                         | <b>1,754,438</b>                       |
| <b>Other Comprehensive Income:</b>  |      |  |  |
| <b>Items that may be reclassified subsequently to profit or loss</b>                    |      |  |  |
| Currency translation differences  |      | (696,710)                              | (37,631)                               |
| <b>Other Comprehensive Income for the Year, Net of Tax</b>                              |      | <b>(696,710)</b>                       | <b>(37,631)</b>                        |
| <b>Total Comprehensive Income for the Year attributable to the owners of the parent</b> |      | <b>(6,931)</b>                         | <b>1,716,807</b>                       |

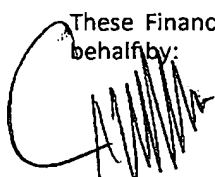
The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The loss for the Parent Company for the year was £17,711 (2014: loss of £35,328).

The Notes on pages 16 to 42 form part of these Financial Statements.

|  | Note | As at<br>31 December<br>2015<br>£ | As at<br>31 December<br>2014<br>£ |
|--|------|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>                                  |      |                                   |                                   |
| <b>Non-Current Assets</b>                      |      |                                   |                                   |
| Property, plant and equipment                  | 13   | 4,683,267                         | 5,753,832                         |
| Intangible assets                              | 14   | 2,074,025                         | 2,407,389                         |
| Investments                                    | 15   | -                                 | -                                 |
| <b>Total Non-Current Assets</b>                |      | <b>6,757,292</b>                  | <b>8,161,221</b>                  |
| <b>Current Assets</b>                          |      |                                   |                                   |
| Inventories                                    | 16   | 645,696                           | 1,157,324                         |
| Trade and other receivables                    | 17   | 2,432,527                         | 2,377,050                         |
| Cash and cash equivalents                      | 18   | 375,990                           | 341,145                           |
| <b>Total Current Assets</b>                    |      | <b>3,454,213</b>                  | <b>3,875,519</b>                  |
| <b>TOTAL ASSETS</b>                            |      | <b>10,211,505</b>                 | <b>12,036,740</b>                 |
| <b>EQUITY AND LIABILITIES</b>                  |      |                                   |                                   |
| <b>Equity attributable to Owners of Parent</b> |      |                                   |                                   |
| Share capital                                  | 19   | 32,563,976                        | 32,563,976                        |
| Revaluation reserve                            |      | 1,391,974                         | 1,615,711                         |
| Translation reserve                            |      | 329,211                           | 153,099                           |
| Other reserve                                  | 19   | (32,291,085)                      | (32,291,085)                      |
| Retained earnings                              |      | 2,012,955                         | 1,972,261                         |
| <b>Total Equity</b>                            |      | <b>4,007,031</b>                  | <b>4,013,962</b>                  |
| <b>Non-Current Liabilities</b>                 |      |                                   |                                   |
| Borrowings                                     | 20   | 62,258                            | 136,054                           |
| Deferred tax                                   | 22   | 602,996                           | 761,914                           |
| <b>Total Non-Current Liabilities</b>           |      | <b>665,254</b>                    | <b>897,968</b>                    |
| <b>Current Liabilities</b>                     |      |                                   |                                   |
| Trade and other payables                       | 21   | 5,113,287                         | 6,008,304                         |
| Income tax                                     |      | 35,042                            | 1,657                             |
| Borrowings                                     | 20   | 390,891                           | 1,114,849                         |
| <b>Total Current Liabilities</b>               |      | <b>5,539,220</b>                  | <b>7,124,810</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>            |      | <b>10,211,505</b>                 | <b>12,036,740</b>                 |

These Financial Statements were approved by the Board of Directors on 28 September 2016 and were signed on its behalf by:

  
G Singh  
Director

The Notes on pages 16 to 42 form part of these Financial Statements.

|  | Note | As at<br>31 December<br>2015<br>£ | As at<br>31 December<br>2014<br>£ |
|--|------|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>                              |      |                                   |                                   |
| <b>Non-Current Assets</b>                  |      |                                   |                                   |
| Investments in subsidiaries                | 15   | 2,062                             | 2,062                             |
| <b>Total Non-Current Assets</b>            |      | <u>2,062</u>                      | <u>2,062</u>                      |
| <b>Current Assets</b>                      |      |                                   |                                   |
| Trade and other receivables                | 17   | 622,849                           | 517,349                           |
| <b>Total Current Assets</b>                |      | <u>622,849</u>                    | <u>517,349</u>                    |
| <b>TOTAL ASSETS</b>                        |      | <u>624,911</u>                    | <u>519,411</u>                    |
| <b>EQUITY AND LIABILITIES</b>              |      |                                   |                                   |
| <b>Equity attributable to Shareholders</b> |      |                                   |                                   |
| Share capital                              | 19   | 32,563,976                        | 32,563,976                        |
| Other reserve                              | 19   | (32,291,085)                      | (32,291,085)                      |
| Retained earnings                          |      | (474,487)                         | (456,776)                         |
| <b>Total Equity</b>                        |      | <u>(201,596)</u>                  | <u>(183,885)</u>                  |
| <b>Current Liabilities</b>                 |      |                                   |                                   |
| Trade and other payables                   | 21   | 826,507                           | 703,296                           |
| <b>Total Current Liabilities</b>           |      | <u>826,507</u>                    | <u>703,296</u>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <u>624,911</u>                    | <u>519,411</u>                    |

These Financial Statements were approved by the Board of Directors on 28 September 2016 and were signed on its behalf by:

  
G Singh  
Director

The Notes on pages 16 to 42 form part of these Financial Statements.

| Group (£)  | Attributable to the owners of the parent |               |                     |                     |                   |              |
|--|--|---------------|---------------------|---------------------|-------------------|--------------|
|  | Share capital                            | Other reserve | Revaluation reserve | Translation reserve | Retained earnings | Total equity |
| <b>Balance at 1 January 2014</b>                       | 32,563,976                               | (32,291,085)  | 1,623,692           | 139,799             | 260,773           | 2,297,155    |
| Profit for the year                                    | -  | -             | -                   | -                   | 1,754,438         | 1,754,438    |
| <b>Other Comprehensive Income</b>                      |  |               |                     |                     |                   |              |
| Currency translation differences                       | -  | -             | (7,981)             | 13,300              | (42,950)          | (37,631)     |
| <b>Total Comprehensive Income for the Year</b>         | -  | -             | (7,981)             | 13,300              | 1,711,488         | 1,716,807    |
| Transaction with owners, recognised directly in equity | -  | -             | -                   | -                   | -                 | -            |
| <b>Balance at 31 December 2014</b>                     | 32,563,976                               | (32,291,085)  | 1,615,711           | 153,099             | 1,972,261         | 4,013,962    |
| <b>Balance at 1 January 2015</b>                       | 32,563,976                               | (32,291,085)  | 1,615,711           | 153,099             | 1,972,261         | 4,013,962    |
| Profit for the year                                    | -  | -             | -                   | -                   | 689,779           | 689,779      |
| <b>Other Comprehensive Income</b>                      |  |               |                     |                     |                   |              |
| Currency translation differences                       | -  | -             | (223,737)           | 176,112             | (649,085)         | (696,710)    |
| <b>Total Comprehensive Income for the Year</b>         | -  | -             | (223,737)           | 176,112             | 40,694            | (6,931)      |
| Transaction with owners, recognised directly in equity | -  | -             | -                   | -                   | -                 | -            |
| <b>Balance at 31 December 2015</b>                     | 32,563,976                               | (32,291,085)  | 1,391,974           | 329,211             | 2,012,955         | 4,007,031    |

The Notes on pages 16 to 42 form part of these Financial Statements.

| Company (£)   | Attributable to the shareholders |               |                 | Total equity |
|---|----------------------------------|---------------|-----------------|--------------|
|   | Share capital                    | Other reserve | Retained losses |              |
| Balance at 1 January 2014   | 32,563,976                       | (32,291,085)  | (421,448)       | (148,557)    |
| Loss for the year   | -                                | -             | (35,328)        | (35,328)     |
| Total Comprehensive Income for the Year   | -                                | -             | (35,328)        | (35,328)     |
| Total contributions by and distributions to owners of the parent, recognised directly in equity | -                                | -             | -               | -            |
| Balance at 31 December 2014   | 32,563,976                       | (32,291,085)  | (456,776)       | (183,885)    |
| Balance at 1 January 2015   | 32,563,976                       | (32,291,085)  | (456,776)       | (183,885)    |
| Loss for the year   | -                                | -             | (17,111)        | (17,111)     |
| Total Comprehensive Income for the Year   | -                                | -             | (17,111)        | (17,111)     |
| Total contributions by and distributions to owners of the parent, recognised directly in equity | -                                | -             | -               | -            |
| Balance at 31 December 2015   | 32,563,976                       | (32,291,085)  | (474,487)       | (201,596)    |

The Notes on pages 16 to 42 form part of these Financial Statements.

|   | Note | Year ended<br>31 December<br>2015<br>£ | Year ended<br>31 December<br>2014<br>£ |
|---|------|--|--|
| <b>Cash Flows from Operating Activities</b>                   |      |  |  |
| Profit before tax   |      | 848,488                                | 2,124,610                              |
| Depreciation  | 13   | 212,878                                | 261,257                                |
| Profit on disposal of property, plant and equipment           |      | (7,397)                                | (12,340)                               |
| Foreign exchange on operating activities                      |      | 82,623                                 | (42,971)                               |
| Other gains   | 10   | (459,691)                              | (1,020,370)                            |
| Finance costs   |      | 47,304                                 | 122,626                                |
| Share of loss from associates                                 |      | 57,773                                 | -                                      |
|   |      | <hr/>                                  | <hr/>                                  |
|   |      | 781,978                                | 1,432,812                              |
| <b>Changes to working capital</b>                             |      |  |  |
| Decrease/(increase) in inventories                            |      | 511,628                                | (63,828)                               |
| (Increase)/decrease in trade and other receivables            |      | (55,477)                               | 387,315                                |
| Increase/(decrease) in trade and other payables               |      | 298,252                                | (626,649)                              |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Cash generated from operations</b>                         |      | 1,536,381                              | 1,129,650                              |
| Interest paid   |      | (47,304)                               | (122,626)                              |
| Income tax paid   |      | (181,899)                              | (387,635)                              |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Net Cash generated from Operating Activities</b>           |      | 1,307,178                              | 619,389                                |
| <b>Cash Flows from Investing Activities</b>                   |      |  |  |
| Purchases of property, plant and equipment                    |      | (13,596)                               | (127,828)                              |
| Disposal proceeds of property, plant and equipment            |      | 37,164                                 | 94,946                                 |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Net Cash generated from/(used in) Investing Activities</b> |      | 23,568                                 | (32,882)                               |
| <b>Financing Activities</b>                                   |      |  |  |
| Repayment of borrowings                                       |      | (723,214)                              | (428,459)                              |
| Repayment of loans from related parties                       |      | (537,770)                              | (105,363)                              |
| Funds received from related parties                           |      | 12,010                                 | -                                      |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Net Cash used in Financing Activities</b>                  |      | (1,248,974)                            | (533,822)                              |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Net Increase in Cash and Cash Equivalents</b>              |      | 81,772                                 | 52,685                                 |
| <b>Movement in Cash and Cash Equivalents</b>                  |      |  |  |
| Cash and cash equivalents at the beginning of the year        | 18   | 283,268                                | 232,301                                |
| Exchange gain/(loss) on cash and cash equivalents             |      | 10,950                                 | (1,718)                                |
| Net increase in cash and cash equivalents                     |      | 81,772                                 | 52,685                                 |
|   |      | <hr/>                                  | <hr/>                                  |
| <b>Cash and Cash Equivalents at the End of the Year</b>       | 18   | 375,990                                | 283,268                                |
|   |      | <hr/>                                  | <hr/>                                  |

The Notes on pages 16 to 42 form part of these Financial Statements.

|   | Note | Year<br>ended<br>31 December<br>2015<br>£ | Year<br>ended<br>31 December<br>2014<br>£ |
|---|------|---|---|
| <b>Cash Flows from Operating Activities</b>                   |      |   |   |
| Loss before tax   |      | (17,711)                                  | (35,328)                                  |
|   |      | <hr/>                                     | <hr/>                                     |
|   |      | (17,711)                                  | (35,328)                                  |
| <b>Changes to working capital</b>                             |      |   |   |
| Decrease in trade and other receivables                       |      | (105,500)                                 | (146,378)                                 |
| Increase in trade and other payables                          |      | 123,211                                   | 181,706                                   |
|   |      | <hr/>                                     | <hr/>                                     |
| <b>Net Cash (used in)/generated from Operating Activities</b> |      | -   | -   |
|   |      | <hr/>                                     | <hr/>                                     |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>   |      | -   | -   |
|   |      | <hr/>                                     | <hr/>                                     |
| <b>Movement in Cash and Cash Equivalents</b>                  |      |   |   |
| Cash and cash equivalents at the beginning of the year        | 18   | -   | -   |
| Net increase/(decrease) in cash and cash equivalents          |      | -   | -   |
|   |      | <hr/>                                     | <hr/>                                     |
| <b>Cash and Cash Equivalents at the End of the Year</b>       | 18   | -   | -   |
|   |      | <hr/>                                     | <hr/>                                     |

The Notes on pages 16 to 42 form part of these Financial Statements.



**1 GENERAL INFORMATION**

The trading activities of Allgreentech International Limited and its subsidiaries (together "the Group") is hot metal dip galvanising, trading in consumables including high grade zinc, and land and property management. The Group principally trades in Malaysia and Singapore.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis of preparation of Financial Statements**

The consolidated Financial Statements of Allgreentech International Limited have been prepared in accordance with *International Financial Reporting Standards (IFRS)* as adopted by the European Union, *IFRIC Interpretations* and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements, are disclosed in Note 4.

**2.2 Basis of consolidation**

The consolidated Financial Statements consolidate the Financial Statements of Allgreentech International Limited and the audited Financial Statements of its subsidiary and associate undertakings made up to 31 December 2015.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company acquired Acepoint Venture Sdn Bhd on 30 March 2011 through a share exchange. As the shareholders of Acepoint Venture Sdn Bhd had control of the legal parent, Allgreentech International Limited, the transaction was accounted for as a capital reorganisation. Under the reorganisation, the new parent obtained control of the original parent by issuing equity instruments in exchange for existing equity instruments, the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation, and the owners of the original parent before the reorganisation had the same absolute and relative interests in the original and new group immediately before and after the reorganisation.

In accordance with IAS 27 'Separate Financial Statements', the cost of acquisition was measured at the carrying amount of Allgreentech International Limited's share of the equity items in the separate financial statements of Acepoint Venture Sdn Bhd at the date of the reorganisation.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Basis of consolidation (continued)**

Investments in subsidiaries are accounted for at cost less impairment. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All inter-company transactions and balances between Group entities are eliminated on consolidation.

**Disposals of subsidiaries**

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**Associates**

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.3 Going concern**

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Report of the Directors. In addition, notes 3 and 25 to the Financial Statements disclose the Group's and Company's objectives, policies and processes for managing financial risks and capital.

All financial loan covenants in connection with bank borrowings were satisfied. Funding future growth will be via the Group's own generated cash-flow, wherever possible. The amounts due to Directors are unsecured, interest free and repayable on demand however the Directors have confirmed that these will not be repaid unless sufficient funds are available.

The Group's cash flow forecasts and projections show that the Group has sufficient funds and facilities to fund its ongoing operating costs. The Directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

**2.4 Changes in accounting policy and disclosure****a) New and amended standards adopted by the Group**

All new standards and amendments to standards and interpretations effective for annual periods beginning after 1 January 2015 are not currently relevant to the Group or Company and therefore not applied in preparing these financial statements.

**b) New and amended standards and interpretations issued but not yet effective for the financial year beginning 1 January 2015 and not early adopted**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Group and Company intends to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

| Standard             |  | Effective Date  |
|----------------------|--|-----------------|
| IAS 1 (Amendments)   | Presentation of Financial Statements: Disclosure Initiative                      | 1 January 2016  |
| IAS 7 (Amendments)   | Disclosure Initiative  | *1 January 2017 |
| IAS 12 (Amendments)  | Recognition of Deferred Tax  | *1 January 2017 |
| IAS 16 (Amendments)  | Clarification of Acceptable Methods of Depreciation                              | 1 January 2016  |
| IAS 19 (Amendments)  | Defined Benefit Plans: Employee Contributions                                    | 1 February 2015 |
| IAS 27 (Amendments)  | Separate Financial Statements  | 1 January 2016  |
| IAS 38 (Amendments)  | Clarification of Acceptable Methods of Amortisation                              | 1 January 2016  |
| IFRS 9               | Financial Instruments  | *1 January 2018 |
| IFRS 11 (Amendments) | Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016  |
| IFRS 14              | Regulatory Deferral Accounts   | *1 January 2016 |
| IFRS 15              | Revenue from Contracts with Customers  | *1 January 2018 |
| IFRS 16              | Leases   | *1 January 2019 |
| Annual Improvements  | 2010 – 2012 Cycle  | 1 February 2015 |
| Annual Improvements  | 2012 – 2014 Cycle  | 1 January 2016  |

\*Subject to EU endorsement

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, as described below.

Galvanising services: revenue from rendering galvanising services is recognised in the accounting period in which the services are rendered.

Consumables trading: revenue is recognised upon delivery and acceptance by the customer.

Rental income: recognised on a straight line basis over the lease term.

Other income is recognised in the accounting period in which the services are rendered, in accordance with the terms of the underlying contractual agreements.

**2.6 Foreign Currency Translation****(a) Functional and presentation currency**

Items included in the Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity is pounds sterling and the functional currency of the subsidiaries are Malaysian Ringgit and Singapore Dollar. The Financial Statements are presented in sterling which is the Group's and Company's presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**(c) Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Property, plant and equipment**

Land and buildings are shown at fair value, based on valuations by the Directors using the open market value on existing use basis, less subsequent depreciation for buildings. Valuations are reviewed and performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between the depreciation based on the revalued carrying amount of the asset charged to the Income Statement, and depreciation based on the asset's original cost, is transferred from revaluation reserve to retained earnings.

All other property, plant and equipment is stated at historical cost less depreciation.

Depreciation is charged so as to allocate the cost or revalued amounts to their residual values over their estimated useful lives, on a straight line basis as follows:

Buildings – 50 years

Leasehold property and improvements – over the length of lease

Motor vehicles – 5 years

Plant and machinery – 7 to 10 years

Computers, fixtures and fittings – 5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income/(expense)' in profit or loss.

**2.8 Intangible assets****Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

**Impairment**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs") that is expected to benefit from the synergies of the combination. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Financial assets****Classification**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group classifies its financial assets as loans and receivables which comprise 'trade and other receivables' and 'cash and cash equivalents'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

**Recognition and measurement**

Loans and receivables are initially recognised at the amount expected to be received, less where material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortised cost using the effective interest method less a provision for impairment.

**Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Derecognition also takes place for certain assets when the Group writes-off balances pertaining to the assets deemed to be uncollectible.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

**Impairment of financial assets**

At each Statement of Financial Position date, the Group assesses whether there is objective evidence that financial assets are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

The Group considers the evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the Income Statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprise raw materials, direct labour and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**2.11 Trade and other receivables**

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

**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and bank overdrafts.

**2.13 Trade and other payables**

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

**2.14 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**2.15 Borrowing costs**

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.16 Share capital**

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.17 Current and deferred income tax**

The tax expense or credit comprises current and deferred tax. It is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the company and its subsidiaries operate.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**2.18 Leasing**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**2.19 Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

**2.20 Pension Obligations**

The Group makes contributions to defined contribution pension plans. The Group has no legal or constructive obligations to pay further contributions if the plans do not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The contributions are recognised as employee benefit expense when they are paid.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Exceptional items**

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

**3 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow and interest rate risk), credit risk and liquidity risk.

***Market risk***

The Group operates in an international market for high grade zinc and other direct materials and is exposed to risk arising from variations in the demand for and price of those products. Zinc prices historically have fluctuated widely and are affected by numerous factors over which the Group has no control, including world production levels, international economic trends, exchange rate fluctuations, speculative activity and global or regional political events.

***a) Foreign exchange risk***

The majority of the Group's sales and purchase transactions are denominated in Malaysian ringgit. Any exchange risk is managed by maintaining bank accounts denominated in that currency.

***b) Cash flow and interest rate risk***

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates. During 2015, the Group's borrowings at variable rates were denominated in Malaysian ringgit.

At 31 December 2015, if variable interest rates on borrowings are 10 basis points higher/lower with all other variables held constant, the annual interest expense will be £13,375 higher / £13,375 lower.

***Credit risk***

Credit risk represents the risk of loss the Group would incur if operators and counterparties fail to fulfil their credit obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group seeks to mitigate this risk where possible by assessing the credit quality of the operators and by establishing ongoing and long term relationships.

***Liquidity risk***

Cash flow forecasting is performed in the operating entities of the Group, and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 20) at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal Statement of Financial Position ratio targets, and, if applicable, external regulatory or legal requirements.

**3 FINANCIAL RISK MANAGEMENT (continued)**

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the Statement of Financial Position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

| Group (£)                  | Less<br>than 1<br>Year | Between<br>2 and 5<br>Years | Over 5<br>Years |
|----------------------------|------------------------|-----------------------------|-----------------|
| <b>At 31 December 2015</b> |                        |                             |                 |
| Borrowings                 | 390,891                | 52,595                      | 9,663           |
| Trade and other payables   | 5,113,287              | -                           | -               |
| <b>At 31 December 2014</b> |                        |                             |                 |
| Borrowings                 | 1,114,849              | 117,363                     | 18,691          |
| Trade and other payables   | 5,885,527              | -                           | -               |

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***Use of estimates and judgements*

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

*Estimated impairment of goodwill*

Goodwill has a carrying value at 31 December 2015 of £2,074,025 (2014: £2,407,389). The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.8. Management have reviewed the carrying value of goodwill and do not consider any further impairment charge to be necessary.

*Estimated useful lives of property, plant and equipment*

Useful lives are based on industry standards and historical experience which are subjected to yearly evaluation. Management review property, plant and equipment at each Statement of Financial Position date to determine whether there are any indications of impairment. If any such indication exists, an estimate of the recoverable amount is performed, and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The Directors have reviewed the estimated value of each property and do not consider any further impairment to be necessary.

**5 SEGMENTAL INFORMATION**

The Executive Directors are the Group's chief operating decision-makers.

The Group principally operates in two geographical areas, the United Kingdom and Malaysia/Singapore. Activities in the UK are administrative in nature whilst the activities in Malaysia/Singapore relate to the Group's principal trading activities. The reports reviewed by the Board of Directors that are used to make strategic decisions are based on these geographical segments.

**Year ended 31 December 2015**

|                                     | Malaysia/<br>Singapore<br>£ | UK<br>£   | Intra-segment<br>balances<br>£ | Total<br>£  |
|-------------------------------------|-----------------------------|-----------|--------------------------------|-------------|
| Revenue from steel galvanising      | 7,596,730                   | -         | -                              | 7,596,730   |
| Revenue from trading in consumables | 4,713,072                   | -         | (3,391,132)                    | 1,321,940   |
| Gross profit                        | 1,064,954                   | -         | -                              | 1,064,954   |
| Operating profit/(loss)             | 971,276                     | (17,711)  | -                              | 953,565     |
| Depreciation                        | (212,878)                   | -         | -                              | (212,878)   |
| Capital expenditure                 | (13,596)                    | -         | -                              | (13,596)    |
| Total assets                        | 8,135,551                   | 1,929     | -                              | 8,137,480   |
| Total liabilities                   | (5,699,054)                 | (505,420) | -                              | (6,204,474) |

**Year ended 31 December 2014**

|                                     | Malaysia/<br>Singapore<br>£ | UK<br>£   | Intra-segment<br>balances<br>£ | Total<br>£  |
|-------------------------------------|-----------------------------|-----------|--------------------------------|-------------|
| Revenue from steel galvanising      | 7,399,440                   | -         | -                              | 7,399,440   |
| Revenue from trading in consumables | 5,970,146                   | -         | (4,432,856)                    | 1,537,290   |
| Revenue from property management    | 50,369                      | -         | (5,844)                        | 44,525      |
| Gross profit                        | 2,101,629                   | -         | -                              | 2,101,629   |
| Operating profit/(loss)             | 2,282,564                   | (35,328)  | -                              | 2,247,236   |
| Depreciation                        | (261,257)                   | -         | -                              | (261,257)   |
| Capital expenditure                 | (204,866)                   | -         | -                              | (204,866)   |
| Total assets                        | 9,627,422                   | 1,929     | -                              | 9,629,351   |
| Total liabilities                   | (7,473,670)                 | (549,108) | -                              | (8,022,778) |

## 5 SEGMENTAL INFORMATION (continued)

A reconciliation of the operating profit to profit before taxation is provided as follows:

|  | Year ended<br>31 December<br>2015<br>£ | Year ended<br>31 December<br>2014<br>£ |
|--|--|--|
| Operating profit for reportable segments | 953,565                                | 2,247,236                              |
| Finance costs                            | (47,304)                               | (122,626)                              |
| Share of loss of associates              | (57,773)                               | -                                      |
|  | <hr/>                                  | <hr/>                                  |
| Profit before tax                        | 848,488                                | 2,124,610                              |
|  | <hr/>                                  | <hr/>                                  |

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the Financial Statements. These assets are allocated based on the operations of the segment and physical location of the asset. Goodwill recognised by the Group is managed centrally and is not considered to be a segmental asset.

Reportable segments' assets are reconciled to total assets as follows:

|  | Year ended<br>31 December<br>2015<br>£ | Year ended<br>31 December<br>2014<br>£ |
|--|--|--|
| Segmental assets for reportable segments         | 8,137,480                              | 9,629,351                              |
| Unallocated: goodwill                            | 2,074,025                              | 2,407,389                              |
|  | <hr/>                                  | <hr/>                                  |
| Total assets per Statement of Financial Position | 10,211,505                             | 12,036,740                             |
|  | <hr/>                                  | <hr/>                                  |

**6 EXPENSES BY NATURE**

| <b>Group</b>   | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Direct and indirect materials used                         | 6,152,161   | 5,330,533   |
| Direct labour costs  | 781,739     | 726,647     |
| Depreciation and equipment costs                           | 168,647     | 196,329     |
| Direct overheads – electricity, water, transportation etc. | 330,187     | 308,345     |
| Repairs and maintenance                                    | 420,982     | 317,772     |
|  | <hr/>       | <hr/>       |
| Total cost of sales  | 7,853,716   | 6,879,626   |
|  | <hr/>       | <hr/>       |
| Staff costs and benefits                                   | 513,910     | 571,473     |
| Property costs   | 146,658     | 141,001     |
| Legal, professional and compliance costs                   | 55,835      | 191,778     |
| Depreciation and equipment costs                           | 56,837      | 67,905      |
| Foreign exchange differences                               | 9,753       | 43,733      |
| Motor, travel and entertaining                             | 68,746      | 93,673      |
| Other operating and overhead costs                         | 85,504      | 80,637      |
| Reversal of impairment against receivables                 | -           | (132,664)   |
|  | <hr/>       | <hr/>       |
| Total administrative expenses                              | 937,243     | 1,057,536   |
|  | <hr/>       | <hr/>       |

**7 AUDITOR REMUNERATION****Services provided by the Company's auditor and its associates**

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor:

|   |        |        |
|---|--------|--------|
| Fees payable to the Company's auditor for the audit of the Parent Company and consolidated Financial Statements | 13,000 | 13,000 |
|   | <hr/>  | <hr/>  |

**8 STAFF COSTS**

The Group and Company incurred the following staff costs (including Directors):

|                       | <b>Group</b> |             |
|-----------------------|--------------|-------------|
|                       | <b>2015</b>  | <b>2014</b> |
|                       | <b>£</b>     | <b>£</b>    |
| Wages and salaries    | 1,105,329    | 1,043,524   |
| Social security costs | 2,906        | 3,105       |
| Pension costs         | 40,092       | 46,789      |
|                       | <hr/>        | <hr/>       |
|                       | 1,148,327    | 1,093,418   |
|                       | <hr/>        | <hr/>       |

**8 STAFF COSTS (continued)****Directors' Emoluments**

The Directors' emoluments in respect of qualifying services were:

|                            | Group          |                |
|----------------------------|----------------|----------------|
|                            | 2015           | 2014           |
|                            | £              | £              |
| Directors' salary and fees | 174,415        | 213,350        |
| Pension costs              | 6,026          | 12,244         |
|                            | <u>180,441</u> | <u>225,594</u> |
| Highest paid Director      |                |                |
| Total emoluments and fees  | 100,428        | 102,037        |
|                            | <u>100,428</u> | <u>102,037</u> |
| Total                      | 100,428        | 102,037        |
|                            | <u>100,428</u> | <u>102,037</u> |

The average monthly number of staff, including the Directors, during the financial year was as follows:

|                               | Group      |            |
|-------------------------------|------------|------------|
|                               | 2015       | 2014       |
|                               | No.        | No.        |
| Galvanising                   | 146        | 135        |
| Administrative and managerial | 35         | 35         |
|                               | <u>181</u> | <u>170</u> |

**9 OTHER OPERATING INCOME/EXPENSE**

|   | Group          |                |
|---|----------------|----------------|
|   | 2015           | 2014           |
|   | £              | £              |
| Profit on disposal of property, plant and equipment | 7,397          | 66,514         |
| Other income  | 358,766        | 116,259        |
|   | <u>366,163</u> | <u>182,773</u> |

Other income comprises ancillary steel galvanising services and commission receivable from the purchase and sale of a galvanising furnace.

**10 OTHER GAINS**

|                                     | Group          |                  |
|-------------------------------------|----------------|------------------|
|                                     | 2015           | 2014             |
|                                     | £              | £                |
| Disposal of subsidiary undertakings | 459,691        | -                |
| Waiver of debt from related parties | -              | 1,020,370        |
|                                     | <u>459,691</u> | <u>1,020,370</u> |

New shares were issued during the year to third party shareholders in AGT Energy Technologies Sdn Bhd, Violed International Pte Ltd, AGT Development Sdn Bhd and Allgreentech Properties Sdn Bhd. This diluted the Group's shareholding from 100% to 20%. The subsidiary undertakings have been deconsolidated due to loss of control and accounted for as associates, given that the Group retained significant influence.

## 11 TAXATION

|   | Group           |                |
|---|-----------------|----------------|
|   | 2015            | 2014           |
|   | £               | £              |
| <b>Tax charge for the period</b>                  |                 |                |
| <b>Current tax:</b>                               |                 |                |
| Current tax on profits for the year               | 214,716         | 329,607        |
| Adjustments in respect of prior years             | 568             | 30,918         |
| <b>Total current tax</b>                          | <b>215,284</b>  | <b>360,525</b> |
| <b>Deferred tax:</b>                              |                 |                |
| Origination and reversal of temporary differences | (76,326)        | 10,018         |
| Adjustments in respect of prior years             | 19,751          | (371)          |
| <b>Total deferred tax</b>                         | <b>(56,575)</b> | <b>9,647</b>   |
| <b>Income tax expense</b>                         | <b>158,709</b>  | <b>370,172</b> |

**Factors affecting the tax charge for the period**

The tax charge for each period is explained below:

|  | 2015           | 2014           |
|--|----------------|----------------|
|  | £              | £              |
| Profit for the period before taxation  | 848,488        | 2,124,610      |
| Profit for the period before tax multiplied by the weighted average standard tax rate of 22.5% (2014: 24.4%) | 191,233        | 519,189        |
| Expenses not deductible for tax purposes   | 188,504        | 66,370         |
| Income not subject to tax  | (237,174)      | (68,020)       |
| Other timing differences   | -              | (197,050)      |
| Tax losses for which no deferred tax asset recognised  | (4,173)        | 19,134         |
| Adjustments in respect of prior years – current tax  | 568            | 30,918         |
| Adjustments in respect of prior periods – deferred tax   | 19,751         | (371)          |
| <b>Tax charge</b>  | <b>158,709</b> | <b>370,172</b> |

## 12 FINANCE COSTS

|                          | 2015          | 2014           |
|--------------------------|---------------|----------------|
|                          | £             | £              |
| <b>Interest expense:</b> |               |                |
| Bank borrowings          | 44,531        | 120,099        |
| Finance leases           | 2,773         | 2,527          |
|                          | <b>47,304</b> | <b>122,626</b> |

## 13 PROPERTY, PLANT AND EQUIPMENT

| Group  | Freehold<br>land and<br>buildings<br>£ | Leasehold<br>property<br>and<br>improvements<br>£ | Plant<br>and<br>Machinery<br>£ | Motor<br>vehicles<br>£ | Computers,<br>fixtures<br>and<br>fittings<br>£ | Total<br>£  |
|--|--|---|--------------------------------|------------------------|--|-------------|
| <b>Cost or valuation</b>                           |  |   |                                |                        |  |             |
| At 1 January 2014                                  | 5,139,900                              | 172,364   | 2,143,549                      | 263,569                | 156,270  | 7,875,652   |
| Exchange differences                               | (25,266)                               | (847)   | (9,875)                        | (1,296)                | (768)  | (38,052)    |
| Additions  | 42,235                                 | 21,959  | 58,218                         | 77,037                 | 5,417  | 204,866     |
| Disposals  | (38,573)                               | (64,258)  | (39,398)                       | -                      | (2,114)  | (144,344)   |
| At 31 December 2014                                | 5,118,296                              | 129,217   | 2,152,494                      | 339,310                | 158,805  | 7,898,122   |
| Exchange differences                               | (708,758)                              | (17,893)  | (298,068)                      | (46,986)               | (21,991)                                       | (1,093,696) |
| Additions  | -                                      | 928   | 10,340                         | -                      | 2,328  | 13,596      |
| Disposals  | -                                      | (17,590)  | (110,349)                      | (52,938)               | (665)  | (181,542)   |
| At 31 December 2015                                | 4,409,538                              | 94,662  | 1,754,417                      | 239,386                | 138,477  | 6,636,480   |
| <b>Accumulated Depreciation<br/>and Impairment</b> |  |   |                                |                        |  |             |
| At 1 January 2014                                  | 159,381                                | 52,909  | 1,448,326                      | 181,704                | 111,292  | 1,953,611   |
| Exchange differences                               | (783)                                  | (260)   | (6,498)                        | (893)                  | (547)  | (8,981)     |
| Charge for the period                              | 33,750                                 | 10,159  | 160,991                        | 39,465                 | 16,893   | 261,257     |
| Disposals  | (7,381)                                | (14,473)  | (37,629)                       | -                      | (2,114)  | (61,597)    |
| At 31 December 2014                                | 184,965                                | 48,335  | 1,565,190                      | 220,276                | 125,524  | 2,144,290   |
| Exchange differences                               | (25,613)                               | (6,693)   | (216,740)                      | (30,503)               | (17,382)                                       | (296,931)   |
| Charge for the period                              | 29,258                                 | 8,430   | 129,960                        | 31,833                 | 13,397   | 212,878     |
| Disposals  | -                                      | (351)   | (80,169)                       | (26,470)               | (34)   | (107,024)   |
| At 31 December 2015                                | 188,610                                | 49,721  | 1,398,241                      | 195,136                | 121,505  | 1,953,213   |
| <b>Net Book Amount</b>                             |  |   |                                |                        |  |             |
| At 31 December 2015                                | 4,220,928                              | 44,941  | 356,176                        | 44,250                 | 16,972   | 4,683,267   |
| At 31 December 2014                                | 4,933,330                              | 80,882  | 587,304                        | 119,035                | 33,281   | 5,753,832   |

Motor vehicles includes the following amounts where the Group is a lessee under a finance lease:

Net book amount as at 31 December 2015 of £46,867 (2014 - £71,456).

Depreciation expenses of £212,878 (2014 - £261,257) has been charged in cost of sales £168,647 (2014 - £194,117) and in administrative expenses £44,231 (2014 - £67,140).



**13 PROPERTY, PLANT AND EQUIPMENT (continued)**

An independent valuation of the Group's land and buildings was performed by independent valuers to determine the fair value as at 31 December 2012. The revaluation surplus was credited to other comprehensive income and is shown in revaluation reserve in shareholders' equity.

Financial assets measured at fair value adopt the following different levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly

Level 3: inputs that are not based on observable data

The land and buildings valuation is categorised as Level 2 within the fair value hierarchy and was derived using the sales comparison approach, where sales prices of comparable land and buildings in close proximity were adjusted for differences in key attributes. The most significant input into this valuation approach was price per square foot. There has been no material change in the value of freehold land and buildings since the valuation date.

**14 INTANGIBLE ASSETS**

| <b>Group</b>                        |                       |                    |
|-------------------------------------|-----------------------|--------------------|
| <b>Cost</b>                         | <b>Goodwill<br/>£</b> | <b>Total<br/>£</b> |
| At 1 January 2014                   | 4,335,379             | 4,335,379          |
| Exchange differences                | (11,892)              | (11,892)           |
|                                     | <hr/>                 | <hr/>              |
| At 31 December 2014                 | 4,323,487             | 4,323,487          |
|                                     | <hr/>                 | <hr/>              |
| Disposal of subsidiary undertakings | (1,916,098)           | (1,916,098)        |
| Exchange differences                | (333,364)             | (333,364)          |
|                                     | <hr/>                 | <hr/>              |
| As at 31 December 2015              | 2,074,025             | 2,074,025          |
|                                     | <hr/>                 | <hr/>              |
| <b>Amortisation and Impairment</b>  |                       |                    |
| At 31 December 2014                 | 1,916,098             | 1,916,098          |
| Disposal                            | (1,916,098)           | (1,916,098)        |
|                                     | <hr/>                 | <hr/>              |
| 31 December 2015                    | -                     | -                  |
|                                     | <hr/>                 | <hr/>              |
| <b>Net Book Amount</b>              |                       |                    |
| At 31 December 2015                 | 2,074,025             | 2,074,025          |
|                                     | <hr/>                 | <hr/>              |
| At 31 December 2014                 | 2,407,389             | 2,407,389          |
|                                     | <hr/>                 | <hr/>              |
| <b>Impairment review</b>            |                       |                    |

Goodwill comprises the goodwill arising on acquisition of Malaysian Mega Galvaniser Sdn Bhd. The recoverable amount of this goodwill has been assessed based on value-in-use calculations, using cash flow projections based on management approved budgets. Sales volumes, prices and margins are based on recent past performance and the pre-tax discount rate applied was 10% per annum.

## 15 INVESTMENTS

## 15.1 Investments in subsidiaries

|  | 2015<br>£ | 2014<br>£ |
|--|-----------|-----------|
| <b>Company</b>   |           |           |
| Shares in group undertakings<br>At 1 January and 31 December | 2,062     | 2,062     |

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

## Subsidiary companies

| Name                                    | Country of<br>incorporation<br>and residence | Nature of business   | Registered<br>capital | Proportion of equity<br>shares held directly<br>by Company (*) or<br>by the Group (**) |
|---|--|--|-----------------------|--|
| Acepoint Venture Sdn Bhd *              | Malaysia                                     | Intermediate holding<br>company and provision<br>of management<br>services | Ordinary shares       | 100%   |
| Malaysian Mega Galvaniser<br>Sdn Bhd ** | Malaysia                                     | Hot dip metal<br>galvanising   | Ordinary shares       | 100%   |
| AGT Industries Sdn Bhd **               | Malaysia                                     | Consumables trading<br>including high grade<br>zinc                        | Ordinary shares       | 100%   |

Euro Metal Sdn Bhd went into liquidation during 2015 and has been fully deconsolidated.

## 15.2 Investments in associates

Set out below are the associates of the Group as at 31 December 2015, which, in the opinion of the Directors, are material to the Group. The associates as listed below were previously wholly owned subsidiary undertakings of the group and were included in the consolidated results for the year ended 31 December 2014.

Nature of investment in associates in 2015:

| Name                                  | Country of<br>incorporation<br>and residence | Nature of business                                       | Registered<br>capital | Proportion of equity<br>shares held directly<br>by Company (*) or<br>by the Group (**) |
|---------------------------------------|--|--|-----------------------|--|
| AGT Energy Technologies<br>Sdn Bhd ** | Malaysia                                     | Intermediate holding<br>company                          | Ordinary shares       | 20%  |
| Violed International Pte Ltd<br>**    | Singapore                                    | Research and<br>development of LED<br>lamps and lighting | Ordinary shares       | 20%  |
| AGT Development Sdn Bhd<br>**         | Malaysia                                     | Dormant  | Ordinary shares       | 20%  |
| Allgreentech Properties Sdn<br>Bhd ** | Malaysia                                     | Property investment<br>and property holding              | Ordinary shares       | 20%  |

## 15 INVESTMENTS (continued)

## 15.2 Investments in associates (continued)

## Summarised Statement of Financial Position

|                                      | AGT Energy<br>Technologies<br>Sdn Bhd | Violed<br>International<br>Pte Ltd | Allgreentech<br>Properties<br>Sdn Bhd | AGT<br>Development<br>Sdn Bhd | Total            |
|--------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|-------------------------------|------------------|
|                                      | £                                     | £                                  | £                                     | £                             | £                |
| Cash and cash equivalents            | 32                                    | 2,264                              | 16,988                                | -                             | 19,285           |
| Other current assets                 | -                                     | 15,945                             | 19,674                                | -                             | 35,619           |
| <b>Total current assets</b>          | <b>32</b>                             | <b>18,209</b>                      | <b>36,662</b>                         | <b>-</b>                      | <b>54,904</b>    |
| Financial liabilities                | -                                     | (289,688)                          | -                                     | -                             | (289,688)        |
| Other current liabilities            | (430,348)                             | (7,856)                            | (14,403)                              | (1,757)                       | (454,365)        |
| <b>Total current liabilities</b>     | <b>(430,348)</b>                      | <b>(297,544)</b>                   | <b>(14,403)</b>                       | <b>(1,757)</b>                | <b>(744,053)</b> |
| <b>Non-current</b>                   |                                       |                                    |                                       |                               |                  |
| <b>Assets</b>                        | <b>400,286</b>                        | <b>-</b>                           | <b>-</b>                              | <b>-</b>                      | <b>400,286</b>   |
| Financial liabilities                | -                                     | -                                  | -                                     | -                             | -                |
| Other liabilities                    | -                                     | -                                  | -                                     | -                             | -                |
| <b>Total non-current liabilities</b> | <b>-</b>                              | <b>-</b>                           | <b>-</b>                              | <b>-</b>                      | <b>-</b>         |
| <b>Net assets/(liabilities)</b>      | <b>(30,030)</b>                       | <b>(279,335)</b>                   | <b>22,259</b>                         | <b>(1,757)</b>                | <b>(288,863)</b> |

## Summarised Statement of Comprehensive Income

|                                 | AGT Energy<br>Technologies<br>Sdn Bhd | Violed<br>International<br>Pte Ltd | Allgreentech<br>Properties<br>Sdn Bhd | AGT<br>Development<br>Sdn Bhd | Total            |
|---------------------------------|---------------------------------------|------------------------------------|---------------------------------------|-------------------------------|------------------|
|                                 | £                                     | £                                  | £                                     | £                             | £                |
| Revenue                         | -                                     | -                                  | 137,887                               | -                             | 137,887          |
| Cost of sales                   | -                                     | -                                  | (88,678)                              | -                             | (88,678)         |
| <b>Gross profit</b>             | <b>-</b>                              | <b>-</b>                           | <b>49,209</b>                         | <b>-</b>                      | <b>49,209</b>    |
| Other income                    | -                                     | 8                                  | 4,741                                 | -                             | 4,749            |
| Operating expenses              | (409,568)                             | (7,232)                            | (12,465)                              | (1,231)                       | (430,496)        |
| <b>Profit/(loss) before tax</b> | <b>(409,568)</b>                      | <b>(7,224)</b>                     | <b>41,485</b>                         | <b>(1,231)</b>                | <b>(376,538)</b> |
| Income tax                      | -                                     | -                                  | (11,668)                              | -                             | (11,668)         |
| <b>Net profit/(loss)</b>        | <b>(409,568)</b>                      | <b>(7,224)</b>                     | <b>29,817</b>                         | <b>(1,231)</b>                | <b>(388,206)</b> |

The information above reflects the amounts presented in the financial statements of the associates translated at RM 6.3282/£1 and SGD 2.0662/£1.

## Reconciliation of summarised financial information

|                             | AGT Energy<br>Technologies<br>Sdn Bhd | Violed<br>International<br>Pte Ltd | Allgreentech<br>Properties<br>Sdn Bhd | AGT<br>Development<br>Sdn Bhd | Total     |
|-----------------------------|---------------------------------------|------------------------------------|---------------------------------------|-------------------------------|-----------|
|                             | £                                     | £                                  | £                                     | £                             | £         |
| Net assets/(liabilities)    | (30,030)                              | (279,335)                          | 22,259                                | (1,757)                       | (288,863) |
| Interest in associate (20%) | (6,006)                               | (55,867)                           | 4,452                                 | (351)                         | (57,773)  |

The Group's share of losses and net liabilities in associates has been restricted to £nil as the Group has no obligation to fund the losses. There are no contingent liabilities relating to the Group's interest in the associates.

**16 INVENTORIES**

|                  | Group          |                  | Company  |          |
|------------------|----------------|------------------|----------|----------|
|                  | 2015           | 2014             | 2015     | 2014     |
|                  | £              | £                | £        | £        |
| Raw materials    | 172,191        | 607,712          | -        | -        |
| Work in progress | 473,505        | 549,612          | -        | -        |
|                  | <u>645,696</u> | <u>1,157,324</u> | <u>-</u> | <u>-</u> |

The cost of inventories recognised as an expense and included in cost of sales amounted to £4,937,660 (2014 - £4,321,159).

**17 TRADE AND OTHER RECEIVABLES**

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2015             | 2014             | 2015           | 2014           |
|   | £                | £                | £              | £              |
| Trade receivables                                   | 2,271,422        | 2,188,788        | -              | -              |
| Less: provision for impairment of trade receivables | (48,492)         | (70,190)         | -              | -              |
|   | <u>2,222,930</u> | <u>2,118,598</u> | <u>-</u>       | <u>-</u>       |
| Trade receivables - net                             | 2,222,930        | 2,118,598        | -              | -              |
| Other receivables                                   | 209,292          | 235,834          | 107,429        | 1,929          |
| Amounts due from group undertakings                 | -                | -                | 515,420        | 515,420        |
| Prepayments and accrued income                      | 305              | 22,618           | -              | -              |
|   | <u>2,432,527</u> | <u>2,377,050</u> | <u>622,849</u> | <u>517,349</u> |

Trade receivables comprise customer receivables in credit. The Group retains all risks associated with these receivables until fully recovered.

The fair value of all receivables is the same as their carrying values stated above.

As at 31 December 2015, trade receivables of £1,713,384 (2014 - £1,610,451) were past due but not impaired. These relate to existing customers with no defaults in the past. The ageing analysis of receivables is as follows:

| 2015                 | Gross            | Individually impaired | Net              |
|----------------------|------------------|-----------------------|------------------|
|                      | £                | £                     | £                |
| Not past due         | 509,546          | -                     | 509,546          |
| Past due 1 - 90 days | 1,166,446        | -                     | 1,166,446        |
| Past due > 90 days   | 595,430          | (48,492)              | 546,938          |
|                      | <u>2,271,422</u> | <u>(48,492)</u>       | <u>2,222,930</u> |

## 17 TRADE AND OTHER RECEIVABLES (continued)

## 2014

|                      | Gross<br>£       | Individually<br>impaired<br>£ | Net<br>£         |
|----------------------|------------------|-------------------------------|------------------|
| Not past due         | 508,147          | -                             | 508,147          |
| Past due 1 - 90 days | 1,058,111        | -                             | 1,058,111        |
| Past due > 90 days   | 622,530          | (70,190)                      | 552,340          |
|                      | <u>2,188,788</u> | <u>(70,190)</u>               | <u>2,118,598</u> |

Movements in the Group provision for impairment of trade receivables are as follows:

|                         | 2015<br>£     | 2014<br>£     |
|-------------------------|---------------|---------------|
| At 1 January            | 70,190        | 202,348       |
| Exchange differences    | -             | (995)         |
| Unused amounts reversed | (21,698)      | (131,163)     |
|                         | <u>48,492</u> | <u>70,190</u> |
| At 31 December          |               |               |

The carrying amounts of the Group's and Company's trade and other receivables are denominated in the following currencies:

|                   | Group            |                  | Company        |                |
|-------------------|------------------|------------------|----------------|----------------|
|                   | 2015<br>£        | 2014<br>£        | 2015<br>£      | 2014<br>£      |
| UK pound          | 107,429          | 1,929            | 622,849        | 517,349        |
| Malaysian ringgit | 2,325,098        | 2,374,999        | -              | -              |
| Singapore dollar  | -                | 122              | -              | -              |
|                   | <u>2,432,527</u> | <u>2,377,050</u> | <u>622,849</u> | <u>517,349</u> |

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

## 18 CASH AND CASH EQUIVALENTS

|   | Group   |         | Company |      |
|---|---------|---------|---------|------|
|   | 2015    | 2014    | 2015    | 2014 |
|   | £       | £       | £       | £    |
| Cash at bank and in hand                              | 375,990 | 341,145 | -       | -    |
| Cash and cash equivalents (excluding bank overdrafts) | 375,990 | 341,145 | -       | -    |

All cash at bank is held with financial institutions with at least an A credit rating.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

|                           | Group   |          | Company |      |
|---------------------------|---------|----------|---------|------|
|                           | 2015    | 2014     | 2015    | 2014 |
|                           | £       | £        | £       | £    |
| Cash and cash equivalents | 375,990 | 341,145  | -       | -    |
| Bank overdrafts           | -       | (57,877) | -       | -    |
|                           | 375,990 | 283,268  | -       | -    |

## 19 SHARE CAPITAL

|                     | Ordinary shares  |                 |
|---------------------|------------------|-----------------|
|                     | Number of shares | Nominal value £ |
| At 31 December 2015 | 3,229,314,715    | 32,563,976      |
| At 31 December 2014 | 3,229,314,715    | 32,563,976      |

In accordance with the Subscription Agreement between the Company and Acepoint Venture Sdn Bhd, the consideration shares issued to the vendor shareholders comprised 3,229,314,715 ordinary shares of £0.01 each. The Company acquired Acepoint Venture Sdn Bhd on 30 March 2011 through a share exchange. As the shareholders of Acepoint Venture Sdn Bhd had control of the legal parent, Allgreentech International plc, the transaction was accounted for as a capital reorganisation. Under the reorganisation, the new parent obtained control of the original parent by issuing equity instruments in exchange for existing equity instruments, the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation, and the owners of the original parent before the reorganisation had the same absolute and relative interests in the original and new group immediately before and after the reorganisation.

In accordance with IAS 27 'Separate Financial Statements', the cost of acquisition was measured at the carrying amount of Allgreentech International Plc's share of the equity items in the separate financial statements of Acepoint Venture Sdn Bhd at the date of the reorganisation. The reduction in the cost of investment in accordance with the above was £32,291,085 which in turn has been debited to 'Other reserve' in the Group Financial Statements.

## 20 BORROWINGS

|                           | Group          |                  | Company  |          |
|---------------------------|----------------|------------------|----------|----------|
|                           | 2015           | 2014             | 2015     | 2014     |
|                           | £              | £                | £        | £        |
| <b>Non-current</b>        |                |                  |          |          |
| Bank borrowings           | 23,576         | 85,522           | -        | -        |
| Finance lease liabilities | 38,682         | 50,532           | -        | -        |
|                           | <u>62,258</u>  | <u>136,054</u>   | <u>-</u> | <u>-</u> |
| <b>Current</b>            |                |                  |          |          |
| Bank overdraft            | -              | 57,877           | -        | -        |
| Bank borrowings           | 386,040        | 1,047,308        | -        | -        |
| Finance lease liabilities | 4,851          | 9,664            | -        | -        |
|                           | <u>390,891</u> | <u>1,114,849</u> | <u>-</u> | <u>-</u> |

Bank borrowings (excluding bank overdraft) comprise:

|                              | Group          |                  |
|------------------------------|----------------|------------------|
|                              | 2015           | 2014             |
|                              | £              | £                |
| <b>Non-current (Secured)</b> |                |                  |
| Term loans                   | 23,576         | 85,522           |
| <b>Current (Secured)</b>     |                |                  |
| Bankers' acceptance          | 169,325        | 377,582          |
| Revolving credit             | 148,186        | 513,994          |
| Term loans                   | 68,529         | 155,733          |
|                              | <u>386,040</u> | <u>1,047,309</u> |

Bank borrowings bear interest at between 6.44% and 10.12% per annum (2014 - between 6.44% and 10.12% per annum).

The bank borrowings are secured by the Group's freehold and leasehold property.

The term loans are repayable in monthly instalments as follows:

|                            | Group         |                |
|----------------------------|---------------|----------------|
|                            | 2015          | 2014           |
|                            | £             | £              |
| Within one year            | 68,529        | 155,733        |
| Between one and two years  | 23,576        | 63,696         |
| Between two and five years | -             | 21,826         |
| After five years           | -             | -              |
|                            | <u>92,105</u> | <u>241,255</u> |

All other borrowings are current liabilities.

The fair value of borrowings equals their carrying amount. All borrowings are denominated in Malaysian Ringgit.

**20 BORROWINGS (continued)**

The Group has no undrawn borrowing facilities.

**Finance Lease Liabilities**

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>£</b>     | <b>£</b>    |
| <b>Gross Finance Lease Liabilities - Minimum Lease Payments</b> |              |             |
| No later than one year  | 7,060        | 12,701      |
| Between two and five years                                      | 35,299       | 40,973      |
| After five years  | 10,000       | 19,804      |
|   | <hr/>        | <hr/>       |
|   | 52,359       | 73,478      |
| Future finance charges  | (8,826)      | (13,282)    |
|   | <hr/>        | <hr/>       |
| Present value of finance lease liabilities                      | 43,533       | 60,196      |
|   | <hr/>        | <hr/>       |
| Split between:  |              |             |
| Due within one year   | 4,851        | 9,664       |
| Due between two and five years                                  | 29,019       | 31,841      |
| After five years  | 9,663        | 18,691      |
|   | <hr/>        | <hr/>       |
|   | 43,533       | 60,196      |
|   | <hr/>        | <hr/>       |

The finance lease liabilities incur interest at 2.85% per annum (2014 - 2.85% and 6.36% per annum).

**21 TRADE AND OTHER PAYABLES**

|                               | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------------|--------------|-------------|----------------|-------------|
| <b>Current</b>                | <b>2015</b>  | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|                               | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Trade payables                | 515,859      | 179,574     | -              | -           |
| Other payables                | 875,091      | 914,544     | 505,420        | 505,420     |
| Accrued expenses              | 124,197      | 122,777     | -              | -           |
| Amount due to related parties | 3,598,140    | 4,791,409   | 321,087        | 197,876     |
|                               | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|                               | 5,113,287    | 6,008,304   | 826,507        | 703,296     |
|                               | <hr/>        | <hr/>       | <hr/>          | <hr/>       |

Other payables include deferred consideration of £789,861 (2014 - £835,580) in respect of amounts due to former shareholders on the acquisition of subsidiary undertakings.



**22 DEFERRED TAX**

The movement in deferred income tax was as follows:

|                                  | <b>Group</b> |             |
|----------------------------------|--------------|-------------|
|                                  | <b>2015</b>  | <b>2014</b> |
|                                  | <b>£</b>     | <b>£</b>    |
| At 1 January                     | 761,914      | 756,867     |
| Exchange differences             | (102,343)    | (4,600)     |
| Income statement charge/(credit) | (56,575)     | 9,647       |
|                                  | <hr/>        | <hr/>       |
| At 31 December                   | 602,996      | 761,914     |
|                                  | <hr/>        | <hr/>       |

The components and movements in deferred tax liabilities during the year were as follows:

|                              | <b>Accelerated<br/>tax<br/>depreciation</b> | <b>Revaluation<br/>reserve</b> | <b>Other</b> | <b>Total</b> |
|------------------------------|---|--------------------------------|--------------|--------------|
|                              | <b>£</b>                                    | <b>£</b>                       | <b>£</b>     | <b>£</b>     |
| At 1 January 2014            | 238,926                                     | 591,488                        | (73,547)     | 756,867      |
| Exchange difference          | (896)                                       | (2,908)                        | (17)         | (3,821)      |
| Credited to income statement | (24,526)                                    | -                              | 33,394       | 8,868        |
|                              | <hr/>                                       | <hr/>                          | <hr/>        | <hr/>        |
| At 31 December 2014          | 213,504                                     | 588,580                        | (40,170)     | 761,914      |
| Exchange difference          | (27,870)                                    | (81,504)                       | 7,031        | (102,343)    |
| Credited to income statement | (30,296)                                    | -                              | (26,279)     | (56,575)     |
|                              | <hr/>                                       | <hr/>                          | <hr/>        | <hr/>        |
| At 31 December 2015          | 155,338                                     | 507,076                        | (59,418)     | 602,996      |
|                              | <hr/>                                       | <hr/>                          | <hr/>        | <hr/>        |

**23 FINANCIAL INSTRUMENTS BY CATEGORY**

|  | <b>Group</b> |             | <b>Company</b> |             |
|--|--------------|-------------|----------------|-------------|
|  | <b>2015</b>  | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|  | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| <b>Assets as per Statement of Financial Position</b>   |              |             |                |             |
| <b>Loans and receivables:</b>                          |              |             |                |             |
| Trade and other receivables<br>(excluding prepayments) | 2,432,222    | 2,354,432   | 622,849        | 517,349     |
| Cash and cash equivalents                              | 375,990      | 341,145     | -              | -           |
|  | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  | 2,808,212    | 2,695,577   | 622,849        | 517,349     |
|  | <hr/>        | <hr/>       | <hr/>          | <hr/>       |

**23 FINANCIAL INSTRUMENTS BY CATEGORY (continued)**

| Liabilities per Statement of Financial Position                   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2015             | 2014             | 2015           | 2014           |
|   | £                | £                | £              | £              |
| <b>Financial liabilities at amortised cost:</b>                   |                  |                  |                |                |
| Borrowings including finance lease liabilities                    | 453,149          | 1,250,903        | -              | -              |
| Trade and other payables<br>(excluding non-financial liabilities) | 5,113,287        | 6,008,304        | 826,507        | 703,296        |
|   | <u>5,566,436</u> | <u>7,259,207</u> | <u>826,507</u> | <u>703,296</u> |

**24 TREASURY POLICY**

The Company and Group operate informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Group has financed its activities by raising funds through the placing of shares and through bank borrowings set out in Note 19 above. There are no material differences between the book value and fair value of the financial assets.

**25 CAPITAL MANAGEMENT POLICIES**

The Group and Company's capital management objectives are:

- to ensure compliance with borrowing covenants;
- to ensure the Group's and Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts.

The Group will continue to monitor its capital within an acceptable level of gearing and in accordance with financial and non-financial loan covenants.

**26 CAPITAL AND OPERATING LEASE COMMITMENTS**

The Group and Company set the amount of capital in proportion to its overall financing structure and manage their capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group has capital commitments contracted but not provided for of £nil (2014 - £nil) at the Statement of Financial Position date.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

|                            | 2015           | 2014           |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| No later than one year     | 85,629         | 108,747        |
| Between two and five years | 16,074         | 115,299        |
| After five years           | -              | -              |
|                            | <u>101,703</u> | <u>224,046</u> |
| <b>Total</b>               | <b>101,703</b> | <b>224,046</b> |

**27 RELATED PARTY TRANSACTIONS**

| <b>Group</b>                                  | <b>2015</b> | <b>2014</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Loans due to related parties were as follows: |             |             |
| At 1 January                                  | 4,791,409   | 5,925,399   |
| Cash received                                 | 12,010      | (1,020,370) |
| Loan repayments                               | (511,380)   | (105,363)   |
| Disposal of motor vehicle                     | (26,390)    | -           |
| Exchange differences                          | (667,509)   | (8,257)     |
|   | <hr/>       | <hr/>       |
| At 31 December                                | 3,598,140   | 4,791,409   |
|   | <hr/>       | <hr/>       |
| The outstanding loans are split as follows:   |             |             |
| G Singh                                       | 3,598,140   | 711,983     |
| N Singh                                       | -           | 4,079,426   |
|   | <hr/>       | <hr/>       |
|   | 3,598,140   | 4,791,409   |
|   | <hr/>       | <hr/>       |

The loans are denominated in Malaysian ringgit and Singapore dollars, repayable on demand, interest free and unsecured.

| <b>Company</b>                           | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Amounts due from subsidiary undertakings |             |             |
| Acepoint Venture Sdn Bhd                 | 67,257      | 67,257      |
| AGT Energy Technologies Sdn Bhd          | 448,163     | 448,163     |
|  | <hr/>       | <hr/>       |
|  | 515,420     | 515,420     |
|  | <hr/>       | <hr/>       |
| Amounts due to subsidiary undertakings   |             |             |
| Malaysian Mega Galvaniser Sdn Bhd        | 165,539     | -           |
| Acepoint Venture Sdn Bhd                 | 155,548     | 154,188     |
| AGT Energy Technologies Sdn Bhd          | -           | 43,688      |
|  | <hr/>       | <hr/>       |
|  | 321,087     | 197,876     |
|  | <hr/>       | <hr/>       |

**28 ULTIMATE CONTROLLING PARTY**

As at the Statement of Financial Position date, the Directors consider G Singh to be the ultimate controlling party.