

ASM Assembly Systems UK Holding Limited

COMPANY REGISTRATION NUMBER 07459630

ASM Assembly Systems UK Holding Ltd Annual report and financial statements for the year ended 31 December 2019



ASM Assembly Systems UK Holding Limited

Annual Report and Financial Statements for the Year Ended 31 December 2019

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ASM Assembly Systems UK Holding Limited

Officers and Professional advisors Year ended 31 December 2019

THE BOARD OF DIRECTORS

M M Moehlheinrich
J Maloney
J Mudge

COMPANY SECRETARY

E Harrison

REGISTERED OFFICE

11 Albany Road
Granby Industrial Estate
Weymouth
Dorset
DT4 9TH

UNITED KINGDOM

AUDITOR

Deloitte LLP
Statutory Auditor
1 Grosvenor Square
Southampton
Hampshire
SO15 2BZ
UNITED KINGDOM

ASM Assembly Systems UK Holding Limited

Strategic report

The directors present their strategic report for the company for the year ended 31 December 2019.

Review of the business

The directors consider the level of business and the year end financial position to be satisfactory. The company's profit before tax for the financial year was £43,579 (2018: £14,381). The net assets of the company as at the year ended 31 December 2019 were £18,335,000 (2018: £15,793,000). During the financial year, dividends of £40,927,589 (2018: £nil) were paid. The directors do not recommend the payment of a final dividend (2018: £nil).

Our goal of being the CLEAR #1 remains in place. However, in 2019 the problems in the global automotive market struck the SMT business with full force and hit us much harder than our competitors, whose market share in this sector is less significant. The global price war has once again become tougher and we made a conscious decision not to match competitor's prices in all cases. We maintain our market penetration strategy and keep working on improving our cost position.

Key Performance Indicators

The directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company as the company is predominately a holding company. The sales activity is managed and reviewed as part of the wider group strategy and there are no specific KPI's relevant to the further understanding of this entity.

Colleagues

Our people are key to our success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including colleague surveys, staff forums, director led quarterly presentations. Key areas of focus include health and well-being, development opportunities, pay and benefits.

In 2019 we introduced a diversity programme made up of employee representatives from different backgrounds. This group is focussed on highlighting who we are as a company, how we positively encourage diversity and inclusion and how we can continue to improve upon this as a business.

Customers

Our ambition is to be the clear #1 in our industry. We build strong lasting relationships with our customers and spend considerable time with them to understand their needs and views.

Communities

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. As the largest employer in Weymouth key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities and organisations at a site level to raise awareness and funds. We also engage with staff through our Sports & Social committee to ensure that we are focussing on local charities and organisations that are important to our staff. The impact of decisions on the environment both locally and nationally is considered with such considerations as the use of and disposal of plastic and how this might be minimised.

ASM Assembly Systems UK Holding Limited

Strategic report for the year ended 31 December 2019 (continued)

Health & Safety and Environment

Key areas of focus are compliance with laws and regulations, health and safety and product safety. The Board is updated on legal and regulatory developments and takes these into account when considering future actions. In 2019 we split the Health & Safety and Environment Committee to give more focus to both elements on their own. During 2019 we had a recertification audit to maintain our ISO14001 - Environmental management accreditation.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other printing machine manufacturers and the strength of the global electronics market. The ongoing integration with other group companies will continue to deliver improved product offering and efficiencies to customers.

Post balance sheet events

Impact of Covid-19

Since the outbreak of Covid-19, we have taken every effort to protect the safety and health of our employees which is the utmost priority. Where possible employees have work-from-home arrangements and enhanced social distancing measures have been introduced at our workplace for those that need to be onsite to ensure continued production. These prevention control procedures have worked out well so far with minimal disruption to operations. Besides focusing on employee safety and business continuity, our focus is also to ensure compliance with local authorities' guidelines and restrictions and helping the community to fight the outbreak as a responsible corporate citizen.

The company has a local Business Continuity Planning team, that meet regularly to assess any issues and risks from a staff, business and legislative perspective.

Throughout the period we have kept in touch with our customers using remote methods such as our Remote Smart Factory service and by continued onsite service activities. After an initial period where customer visits were extremely limited in late March / early April we have gradually increased onsite activity by following government guidelines to ensure we kept our employees safe.

In terms of billings, we expect the demand from information technology related applications to continue due to increased telecommuting and home-based working activities as a result of Covid-19 containment measures worldwide. However, customers are generally more cautious than before and we are anticipating some softening of the marketing in H2 2020.

Although the future economic climate is uncertain, our Vision of Enabling the Digital World shows that we were already strategizing for the type of future that is fast coming a reality under these social distancing times. We anticipate that our business will continue to perform well under these conditions. We are still mindful of the risks posed to our business during these challenging times. Our due diligence that we perform such as annual risk assessments of all our suppliers will give us early indications of any potential issues facing our business and allow us to take mitigating action.

ASM Assembly Systems UK Holding Limited

Strategic report for the year ended 31 December 2019 (continued)

Post balance sheet events (continued)

Brexit

The UK formally left the EU on 31 January 2020 and entered a transition period which is scheduled to end on 31 December 2020. During this period the UK will effectively remain in the EU's customs union and single market, so there will be no impact on ASM during this period. Progress in the Brexit negotiations will continue to be monitored and the risks and uncertainties will be assessed and managed. Most of the company's investments are outside of the EU and so will not be impacted. Current forecasts based on latest information suggest that there will only be a minimal impact to profitability given no significant changes to trade tariffs that impact ASM. Our analysis also estimates that the additional administrative burden of Brexit would not require any significant additional resource. The Customer Support network, including spares, has also been reviewed to ensure current support levels are maintained.

Future developments

The external commercial environment is expected to remain competitive in 2020 and the company aims to maintain its position from 2019. Although the economic outlook due to Covid-19 means that the revised forecast of 2020 is showing a reduction compared to budget, the long-term fundamentals remain strong. The company expects that the management in place and the decisions being made for the long-term position of the company will ensure that the company overall will continue to thrive.

Financial Risk Management

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The company has a policy and procedures manual that sets out specific guidelines to manage price risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price Risk

The company has a limited exposure to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit Risk

The company acts solely for ASM Assembly Systems GmbH & Co KG, a fellow group undertaking, and so the company has limited exposure to credit risk.

Liquidity Risk

The management of the company's liquidity risk resides with the parent company. ASM Assembly Systems UK Holding Limited is not expected to stand alone without parent support. The financial management believe that liquidity is better enacted across the group because this drives a proactive cross border, cross currency transfer of funds and collateral in order to obtain a balanced liquidity profile across the subsidiary units.

ASM Assembly Systems UK Holding Limited

Strategic report for the year ended 31 December 2019 (Continued)

Going Concern

The directors have reviewed the trading position of the company and consider the Going Concern basis to be appropriate for the preparation of the financial statements. The company has a strong net asset position. The expectations for 2020 before the impact of Covid-19 were for a steady demand across the electronics market. As mentioned above the company is well placed to maintain its position during this difficult time. As the customer base for our products is global the company will be able to capitalise on any recoveries and the continued need for further automation and digitalisation. The company is reimbursed for its sales efforts on a cost plus commission basis. Future cash flows will therefore exceed any costs. The company's only customer is a fellow subsidiary, ASM Assembly Systems GmbH & Co KG, with whom the company has an ongoing agreement to provide sales and after sales support for consumables and spares. The directors are therefore comfortable with completing the accounts on a Going Concern basis.

Approved and signed on behalf of the board:



E Harrison
Company Secretary

11 NOVEMBER 2020

ASM Assembly Systems UK Holding Limited

Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019. Details of future developments, financial risk management, dividends and Going Concern basis can be found in the Strategic Report on pages 2- 5 and form part of this report by cross-reference. The Covid-19 situation and Brexit is also discussed in the Strategic Report under post balance sheet events on pages 3 & 4.

Principal Activities

The principal activities of the company are that of a holding company holding investments in US, EU and UK entities and the sales and service of surface mount technology printers, placement machines and alternative energy line solutions.

Employees

Applications for employment by disabled persons are always fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employee who becomes disabled during employment to continue their career within the company. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the company. This is achieved through formal and informal meetings and regular company newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Directors

The directors who held office during the financial year and up to the date of signing the financial statements are given below:

M Moehlheinrich
J Maloney
J Mudge (appointed 18 December 2019)
M Buttle (resigned 18 December 2019)

ASM Assembly Systems UK Holding Limited

Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditor

A resolution to reappoint Deloitte LLP as auditor to the company will be proposed at the annual general meeting.

Approved and signed on behalf of the board:



E Harrison
Company Secretary

Independent auditor's report to the members of ASM Assembly Systems UK Holding Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ASM Assembly Systems UK Holding Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the Going Concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the Going Concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

Independent auditor's report to the members of ASM Assembly Systems UK Holding Limited

Report on the audit of the financial statements (continued)

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of ASM Assembly Systems UK Holding Limited

Report on the audit of the financial statements (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Claire Siviter FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Southampton, United Kingdom

11 November 2020

ASM Assembly Systems UK Holding Limited

Income Statement for the Year Ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover	3	4,863	4,449
Cost of sales		(2,788)	(3,111)
Gross profit		2,075	1,338
Administration costs		(430)	(274)
Distribution costs		(718)	(877)
Operating profit	6	927	187
Finance (income)/cost (net)	7	(293)	218
Income from dividends		1,373	13,976
Profit/Loss on Sale of Fixed Assets		1	-
Profit on Sale of Subsidiaries		40,897	-
Gain on revaluation of investment	10	674	-
Profit before taxation		43,579	14,381
Tax on profit	8	(109)	(86)
Profit for the financial year		43,470	14,295

All amounts relate to continuing operations.


The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

ASM Assembly Systems UK Holding Limited

Balance Sheet as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	9	57	83
Investments	10	6,437	3,863
		6,494	3,946
Current assets			
Debtors	11	11,449	18,928
Cash at bank		839	102
		12,288	19,030
Creditors: amounts falling due within one year	12	(447)	(7,182)
Net current assets		11,841	11,848
Net assets		18,335	15,793
Capital and reserves			
Called up share capital	13	-	-
Retained income		18,335	15,793
Total shareholder funds		18,335	15,793

The financial statements of ASM Assembly Systems UK Holding Ltd, registered number 07459630, on pages 10 to 22 were approved by the Board of Directors on 11 NOVEMBER 2020 and authorised for issue. They were signed on its behalf by:


J. Mudge
Director

ASM Assembly Systems UK Holding Limited

Statement of Changes in Equity for the year ended 31 December 2019

	Called Up Share Capital	Profit & Loss Account	Total
	£'000	£'000	£'000
At 31 December 2017	-	1,498	1,498
Profit for the financial year		14,295	14,295
At 31 December 2018	-	15,793	15,793
Profit for the financial year		43,470	43,470
Dividends paid		(40,928)	(40,928)
At 31 December 2019	-	18,335	18,335

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019

1 Statement of Accounting Policies

ASM Assembly Systems UK Holding Limited is a company incorporated in the UK under the Companies Act 2006. The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is 11 Albany Road, Granby Industrial Estate, Weymouth, England, DT4 9TH.

These financial statements are prepared under the historical cost convention and in accordance with Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council. The principal accounting policies, which have been consistently applied, are set out below.

ASM Assembly Systems UK Holding Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. ASM Assembly Systems UK Holding Limited is consolidated in the financial statements of its parent ASM Pacific Technology Ltd, which may be obtained at 19/F, Gateway ts, 8 Cheung Fai Road, Tsing Yi, New Territories, Hong Kong. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Finance Costs

Interest is accrued on non-trade intercompany balances on a daily basis based on the amount owing.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction except where covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. These costs have been reviewed for impairment and no adjustments are required.

Depreciation is calculated to write off the cost of tangible fixed assets evenly over their estimated useful economic lives as follows:

Office equipment, plant and machinery	20 - 33% straight line
Computer equipment	33% straight line

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

1 Statement of Accounting Policies (Continued)

Investments

Investments in subsidiaries are accounted for at cost less any impairment identified. Shares in other investments were recorded in 2018 at cost less impairment. In 2019 there was a change in accounting policy to measurement at fair value, with all changes in fair value reported in the profit and loss. (See note 10.) As the change did not result in a material change the 2018 financial statements were not restated to reflect this.

Impairment losses

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. An asset is impaired if there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable value of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist, an impairment loss is recognised in profit or loss accordingly.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured at fair value.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are impaired when there is objective evidence that the estimated future cash flows of the financial assets have been affected.

Financial liabilities

Financial liabilities comprise amounts due to companies within the overall group, and trade creditors.

Pension costs

The company operates a defined contribution pension scheme covering all of its full-time employees. The scheme funds, which are administered by trustees, are independent of the company's finances and are invested in life policies issued by the Equitable Life Assurance Society and Scottish Widows. The company's contributions to the funds are charged to the profit and loss account in the year in which the contributions are payable.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised on a full provision basis for timing differences between the recognition of gains and losses in the financial statements and the recognition in the tax computation. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised on a non-discounted basis. A net deferred tax asset is recognised as recoverable and is recognised only when, on the basis of available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019

(Continued)

1 Statement of Accounting Policies (Continued)

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Going Concern

The directors have reviewed the trading position of the company and consider the Going Concern basis to be appropriate for the preparation of the financial statements. The company has a strong net asset position. The expectations for 2020 before the impact of Covid-19 were for a steady demand across the electronics market. As mentioned above the company is well placed to maintain its position during this difficult time. As the customer base for our products is global the company will be able to capitalise on any recoveries and the continued need for further automation and digitalisation. The company is reimbursed for its sales efforts on a cost plus commission basis. Future cash flows will therefore exceed any costs. The company's only customer is a fellow subsidiary, ASM Assembly Systems GmbH & Co KG, with whom the company has an ongoing agreement to provide sales and after sales support for consumables and spares. The directors are therefore comfortable with completing the accounts on a Going Concern basis.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There are no judgements applied that may have materially affected the reported numbers.

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.

Fair Value assessment of Other investments.

IO Tech Group Ltd

The company joined IO Tech Group Ltd on 26 November 2019 with the investment cost of USD 2,500,000. The price of shares paid was considered as fair value of the shares is approximate to its investment cost as of 31 December 2019. No subsequent fair value adjustment is considered to be necessary.

SVXR Inc

The company joined SVXR Inc. on 17 October 2018 with the investment cost of USD 5,000,000. In late 2019, the company and other selected investors had the option to purchase additional equity investment. The negotiated price for the transaction that took place in January 2020 was considered a satisfactory arm length transaction to justify revaluing the existing investment upward by USD 1,000,000 at the year-end date.

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

3 Turnover

Turnover, which excludes value added tax, represents the invoiced value of services provided during the financial year. All turnover is derived from the company's principal activities, which the directors consider represent one class of business. All sales originate in the UK and are made to an associated group company based in Munich.

4 Directors' Emoluments

Three (2018: three) of the directors in the year consider that their services to this company are incidental to their other activities within the group. Accordingly, no remuneration is paid, or is payable by the company to these directors (2018: none). It is not possible to determine a specific allocation for services rendered to this company.

5 Employee Information

The average monthly number of persons (including executive directors) employed by the company during the year:

	2019	2018
	Number	Number
By activity:		
Management	4	3
Administration	44	46
	48	49

	2019	2018
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	1,922	1,955
Social security costs	275	284
Other pension costs	114	100
	2,311	2,339

6 Operating Profit

	2019	2018
	£'000	£'000
Operating profit is stated after charging:		
Auditor's remuneration:		
Audit Services	16	5
Operating lease charges – other	1	2
Depreciation of tangible assets (see note 9)	26	24

The company's auditor did not provide any non-audit services in the year (2018: nil).

ASM Assembly Systems UK Holding Limited **Notes to the financial statements for the year ended 31 December 2019** **(Continued)**

7 Finance Costs (net)

	2019	2018
	£'000	£'000
Interest payable on amounts owed to parent undertaking	(34)	(53)
Interest receivable on amounts owed by parent undertakings	83	-
Interest receivable on amounts owed by fellow subsidiaries	78	59
(Loss)/Profit on foreign exchange	(420)	212
Total other interest and similar expense	(293)	218

8 Tax on Profit

	2019	2018
	£'000	£'000
Current tax:		
UK corporation tax in respect of profits for the year	115	88
Adjustment in respect of previous year	(5)	5
Total current tax	110	93
Deferred tax:		
Origination and reversal of timing differences	(1)	(7)
Total deferred tax	(1)	(7)
Tax on profit	109	86

The tax assessed for the financial year is lower (2018: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

8 Tax on Profit (continued)	2019	2018
	£'000	£'000
Profit before tax	43,579	14,381
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018:19%)	8,280	2,732
Tax effect of:		
Non-taxable dividends	(260)	(2,655)
Non-taxable profit on sale of subsidiary	(7,771)	-
Non-taxable revaluation of investment to fair value	(147)	-
Expenses not deductible for tax purposes	11	11
Change in unrecognised deferred tax assets	1	(7)
Adjustments in respect of previous year	(5)	5
Current tax charge for the year	109	86

The standard rate of tax applied to reported profits is 19% (2018: 19%).

Legislation will be introduced in Finance Bill 2020 to repeal the previously enacted reduction to the main rate of corporation tax to 17%, thereby maintaining the current main rate of corporation tax at 19%. The reduction to 17% was previously introduced in Finance Act 2016 and as the enacted rate of tax at the reporting date this rate has been applied to the deferred tax calculation.

ASM Assembly Systems UK Holding Limited
Notes to the financial statements for the year ended 31 December 2019
(Continued)

9 Tangible Fixed Assets

	Office equipment, plant and machinery £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2019	97	24	121
At 31 December 2019	97	24	121
Accumulated Depreciation			
At 1 January 2019	26	12	38
Charge for year	19	7	26
At 31 December 2019	45	19	64
Net book value			
At 31 December 2019	52	5	57
At 31 December 2018	71	12	83

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

10 Investments

	Shares in Subsidiary undertakings £'000	Shares in Other investments £'000	Total £'000
Cost			
At 1 January 2019	30	3,833	3,863
Additions in Year	-	1,930	1,930
Revaluation to fair value	-	674	674
Disposals in Year	(30)	-	(30)
Net book amount at 31 December 2019	-	6,437	6,437
Net book amount at 31 December 2	30	3,833	3,863

The addition in the year was the addition of IO Tech Ltd for £1,930k. The disposals in the year are that of ASM Assembly Systems SAS France, ASM Assembly Systems AB Sweden, and ASM Assembly Systems GmbH Austria. The consideration received was £40,928k giving a gain on disposal of £40,897k. During 2019, it was agreed that ASM Assembly Systems Sri Italy would be liquidated, which took place in March 2020.

Company	Activity	Registered Office Address	Class of Share Held	Interest
Subsidiary Undertaking: ASM Assembly Systems Inc US	Trading of surface mount technology equipment	1209 Orange Street, Wilmington, New Castle County, Delaware 19801 US	Ordinary	100%
ASM Assembly Systems LLC US	Trading of surface mount technology equipment	Corporate Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 US	Ordinary-indirectly held	100%
ASM Assembly Systems Sri Italy	Trading of surface mount technology equipment	Via Firenze 11, 20063 Cernusco S/ Naviglio IT	Ordinary	100%
Other Investment: SVXR Inc	Trading of semiconductor inspection tools	90 Bonaventura Drive San Jose, CA 95134 US	Preferred	12.8%
IO Tech Group Ltd	Development of laser assisted deposition technology	12b Shaftesbury Centre 85, Barlby Road, London, England, W10 6AZ	Ordinary	10.9%

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

11 Debtors

	2019	2018
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by parent undertakings	3,348	-
Amounts owed by fellow subsidiary undertakings	7,993	18,839
Deferred Tax	8	6
Other debtors	100	83
	11,449	18,928

Amounts owed by fellow subsidiary undertakings represent unsecured trading balances repayable in accordance with standard terms of trade with an effective interest rate of 0.843%. The loans are renewed on an annual basis.

Amounts owed to parent undertaking represent unsecured trading balances repayable in accordance with standard terms of trade with an effective interest rate of 0.843%.

12 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed to parent undertakings	-	6,649
Amounts owed to group companies	29	26
Corporation tax	74	60
Other taxation and social security	86	101
Trade creditors	21	5
Other creditors	132	280
Accruals and deferred income	105	61
	447	7,182

Amounts owed to group companies are standard trade payable amounts with agreed credit terms and therefore do not attract interest.

13 Called up Share Capital

	2019	2018
	£	£
Authorised, allotted and fully paid		
1 (2018:1) ordinary share of £1	1	1

The company has one class of ordinary shares which carry no right to fixed income

ASM Assembly Systems UK Holding Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

14 Pension Commitments

The company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the profit and loss for the year ended 31 December 2019 was £114,556 (2018: £100,270).

15 Subsequent Events

In mid Jan 2020, the company acquired an additional equity investment in SVXR Inc of USD1M at a fixed per-share price of ~USD0.79 per shares. With the additional investment of USD 1M in SVXR, the no. of shares held by the company was increased from 7,565,555 to 8,831,377 and the shareholding increased from 12.8% to 14.0% accordingly.

Subsequent to the balance sheet date, as noted in the Strategic report, the Covid-19 outbreak has developed rapidly, being declared a global pandemic. The principal risks and uncertainties and the impact on Going Concern have been discussed in detail elsewhere in these financial statements. The impacts of Brexit are also addressed although these are considered to have a lesser impact.

16 Ultimate Parent Company and Controlling Party

The immediate parent undertaking is ASM Assembly Systems Pte Ltd. The smallest and largest group in which the results of the company are consolidated is that headed by ASM Pacific Technology Ltd, a company listed on the Hong Kong Stock Exchange, which is also the ultimate parent company and controlling party. The consolidated financial statements of this group are available to the public and may be obtained from its principal place of business at 19/F, Gateway ts, 8 Cheung Fai Road, Tsing Yi, New Territories, Hong Kong. The Registered Office of ASM Pacific Technology Ltd is Whitehall House, 238 North Church Street, PO Box 1043, George Town, Grand Cayman KY1-1102, Cayman Islands.

17 Capital and financial commitments

At 31 December the company had total future minimum lease payments under non-cancellable operating leases:

	2019	2018
	Vehicles	Vehicles
	£'000	£'000
-within one year	23	37
-between one and five years	13	44
	36	81