

Unaudited Financial Statements for the Year Ended 30 September 2022

for

China Leemin Hydraulic Co., Ltd

SDF Accountancy
30 Norman Road
London
SE10 9QX

Contents of the Financial Statements
for the Year Ended 30 September 2022

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

DIRECTORS:

Mr H Ye
Mrs H Ye

REGISTERED OFFICE:

30 Norman Road
London
SE10 9Q

REGISTERED NUMBER:

11596267 (England and Wales)

ACCOUNTANTS:

SDF Accountancy
30 Norman Road
London
SE10 9QX

Balance Sheet
30 September 2022

	Notes	30.9.22 £	£	30.9.21 £	£
FIXED ASSETS					
Tangible assets	4		88,985		-
Investments	5		105,545		300,817
Investment property	6		<u>13,870,964</u>		<u>2,128,461</u>
			14,065,494		2,429,278
CURRENT ASSETS					
Debtors	7	84,207		2,247,175	
Cash at bank and in hand		<u>920,071</u>		<u>380,555</u>	
		1,004,278		2,627,730	
CREDITORS					
Amounts falling due within one year	8	<u>10,108,125</u>		<u>4,575,340</u>	
NET CURRENT LIABILITIES			<u>(9,103,847)</u>		<u>(1,947,610)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,961,647		481,668
CREDITORS					
Amounts falling due after more than one year	9		<u>5,177,202</u>		<u>652,767</u>
NET LIABILITIES			<u>(215,555)</u>		<u>(171,099)</u>

Balance Sheet - continued
30 September 2022

	Notes	30.9.22 £	£	30.9.21 £	£
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			(215,655)		(171,199)
SHAREHOLDERS' FUNDS			<u>(215,555)</u>		<u>(171,099)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2023 and were signed on its behalf by:

Mrs H Ye - Director

Notes to the Financial Statements
for the Year Ended 30 September 2022

1. STATUTORY INFORMATION

China Leemin Hydraulic Co., Ltd is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

The company incurred a net loss of £44,456 (2021: £170,020) during the year and had net liabilities as at 30 September 2022 of £215,555 (2021: £171,099). The company fully depends on its directors and shareholders for support. The directors considered available funding facilities and concluded that the company has sufficient resources for the next 12 months from the date of signing these financial statements. The financial statements are therefore prepared on a going concern basis, without reflecting the material uncertainty existence that may cast significant doubt on the company's ability to continue as a going concern.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

2. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Property valuation

The company measures investment properties at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties.

The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties. Reference is made to Note 7 in the financial statements.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at each reporting end date. Changes in fair value are recognised in profit or loss.

Turnover

Turnover is recognized at the fair value of the consideration received or receivable for rent in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue represents rental income received from non-related parties.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings - 20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

The Euro loan investment is initially measured at cost and subsequently measured at cost less any accumulated impairment loss (if any).

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

2. ACCOUNTING POLICIES - continued

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

2. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

2. ACCOUNTING POLICIES - continued

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 2 (2021 - 2) .

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
Additions	90,493
At 30 September 2022	<u>90,493</u>
DEPRECIATION	
Charge for year	1,508
At 30 September 2022	<u>1,508</u>
NET BOOK VALUE	
At 30 September 2022	<u>88,985</u>

5. **FIXED ASSET INVESTMENTS**

The Fixed asset investments represents a loan of €350,000 to Ocean Tide Wealth Limited, a company incorporated in England and Wales. The loan is unsecured and bear interest at 8% per annum. The loan has been personally guaranteed by its director, Jenny Dong.

6. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 October 2021	2,128,461
Additions	11,742,503
At 30 September 2022	<u>13,870,964</u>
NET BOOK VALUE	
At 30 September 2022	<u>13,870,964</u>
At 30 September 2021	<u>2,128,461</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

6. INVESTMENT PROPERTY - continued

Under FRS 102, the investment property is required to be measured at fair value at each reporting date with changes in value recognised in profit or loss. Deferred tax is also required to be recognised on these fair value changes. The tax is measured at the rates and allowances that would apply to the sale of the investment property unless the property has a limited useful life and is held as part of a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time.

The company carried out a desktop valuation in August 2023 on all the properties by reference to the market value. The directors considered that the fair value as at the balance sheet date is not significantly different from the valuation.

Assets pledged as security

The investment properties with a carrying amount of £13,870,964 have been pledged to secure the loans and borrowings with Coutts Bank.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22	30.9.21
	£	£
Other debtors	<u>84,207</u>	<u>2,247,175</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22	30.9.21
	£	£
Bank loans and overdrafts	490,731	67,223
Taxation and social security	-	146
Other creditors	<u>9,617,394</u>	<u>4,507,971</u>
	<u>10,108,125</u>	<u>4,575,340</u>

The Bank loans and overdrafts is secured by way of a fixed and floating charge that covers all the property and undertaking of the company.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.22	30.9.21
	£	£
Bank loans	<u>5,177,202</u>	<u>652,767</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

	30.9.22	30.9.21
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years		
by instalments	3,034,097	366,150
	<u>3,034,097</u>	<u>366,150</u>

The Bank loans is secured by way of a fixed and floating charge that covers all the property and undertaking of the company.

10. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 30 September 2022 and 30 September 2021:

	30.9.22	30.9.21
	£	£
Mrs H Ye		
Balance outstanding at start of year	(4,449,135)	(2,842,027)
Amounts advanced	(4,971,992)	(1,607,108)
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(9,421,127)</u>	<u>(4,449,135)</u>
Mr H Ye		
Balance outstanding at start of year	(16,200)	(10,800)
Amounts advanced	(1,200)	(5,400)
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(17,400)</u>	<u>(16,200)</u>

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