

REGISTERED NUMBER: 08962735 (England and Wales)

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
ALE UK LIMITED

WEDNESDAY



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ALE UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

	Page
Company Information	1
Report of the Director	2 to 3
Statement of Director's Responsibilities	4
Report of the Independent Auditor's Report	5 to 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 14

ALE UK LIMITED

COMPANY INFORMATION
for the year ended 31 December 2017

DIRECTOR: P Tebbutt

REGISTERED OFFICE: Ground Floor, Lunar House
Mercury Business Park
Wycombe Lane
Wooburn Green
Buckinghamshire
HP10 0HH

REGISTERED NUMBER: 08962735 (England and Wales)

AUDITORS: Constantin
25 Hosier Lane
London
EC1A 9LQ

ALE UK LIMITED

REPORT OF THE DIRECTOR
for the year ended 31 December 2017

The director presents his report with the financial statements of the company for the year ended 31 December 2017.

The comparative period is from 1 April 2016 to 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of carrying out an activity of commercial prospection and marketing on behalf of the parent undertaking within the UK.

GOING CONCERN

At 31 December 2017 the company had shareholder's funds of £41,077 (31 December 2016: £11,763) after making a profit for the financial year of £29,314 (31 December 2016: Loss £111,753). The director has been notified by China Huaxin Post and Telecommunication Economic Development Center that the company will continue to receive whatever financial support is required to ensure the company meets its liabilities as they fall due for a period of at least 12 months from the date of this report.

DIRECTOR

P Tebbutt held office during the whole of the period from 1 January 2017 to the date of this report.

FINANCIAL RISK MANAGEMENT

The company has exposures to two main areas of risk - credit risk and liquidity risk.

Credit risk

Credit risk arises from cash and cash equivalents, bank deposits and accounts receivable. Credit risk refers to the risk exposure that potential financial loss to the company may occur if counterparty defaults on its contractual obligations. The maximum exposure to credit risk is the value of assets which might be lost. Cash and cash equivalents are deposited only within banks that are considered by the company to have a minimal risk of default. The company evaluates the concentration of risk with respect to accounts receivables as low, as they relate to a group undertaking.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations. Cash flow forecasting is performed in the company. The company monitors rolling forecasts and the liquidity requirements to ensure it has sufficient cash to meet operational needs and financial obligations.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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 auditors are aware of that information.

AUDITORS

The director has appointed Constantin as auditors of the company. Constantin has expressed its willingness to be appointed for another term and appropriate arrangements have been put in place for them to be proposed for re-appointment.

SMALL COMPANIES REGIME

The director has taken advantage of the small companies exemption under section 414B in relation to the preparation of a strategic report.

ALE UK LIMITED

REPORT OF THE DIRECTOR – continued
for the year ended 31 December 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
P Tebbutt - Director

Date:

21.09.2018

ALE UK LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
for the year ended 31 December 2017

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALE UK LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ALE UK Limited which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 13 which includes a statement of accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALE UK LIMITED - continued

Responsibilities of directors (continued)

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.

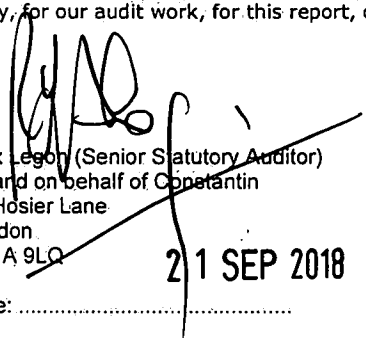
Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Use of our report

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


Alex Legon (Senior Statutory Auditor)
for and on behalf of Copetantini
25 Hosier Lane
London
EC1A 9LQ

21 SEP 2018

Date:

ALE UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Notes	Year Ended 31.12.17 £	Period 1.1.16 to 31.12.16 £
TURNOVER	3	4,065,974	3,477,975
Administrative expenses		<u>(3,953,429)</u>	<u>(3,346,879)</u>
OPERATING PROFIT	4	112,545	131,096
Interest receivable and similar income	5	90	1,079
Interest payable and similar expenses	6	<u>(41,486)</u>	<u>(256,732)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		71,149	(124,557)
Tax on profit/(loss) on ordinary activities	7	<u>(41,835)</u>	<u>12,804</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		29,314	(111,753)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>29,314</u>	<u>(111,753)</u>

All transactions arose from continuing activities.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	8	451,916	1,006,709
Cash at bank		<u>766,122</u>	<u>181,525</u>
		1,218,038	1,188,234
CREDITORS			
Amounts falling due within one year	9	<u>(1,176,961)</u>	<u>(737,579)</u>
NET CURRENT ASSETS		<u>41,077</u>	<u>450,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,077</u>	<u>450,655</u>
CREDITORS			
Amounts falling due after more than one year	10	-	<u>(438,892)</u>
NET ASSETS		<u>41,077</u>	<u>11,763</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Retained earnings		<u>41,076</u>	<u>11,762</u>
SHAREHOLDERS' FUNDS		<u>41,077</u>	<u>11,763</u>

The accompanying notes form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 21.01.2018 and were signed by:

.....
P Tebbutt - Director

ALE UK LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	1	123,515	123,516
Changes in equity:			
Total comprehensive income	-	(111,753)	(111,753)
Balance at 31 December 2016	1	11,762	11,763
Changes in equity:			
Total comprehensive income	-	29,314	29,314
Balance at 31 December 2017	1	41,076	41,077

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

1. COMPANY INFORMATION

ALE UK Limited ("the company") is a private limited company incorporated and domiciled in England and Wales, registration number 08962735. The address of its registered office is Ground Floor, Lunar House, Mercury Business Park, Wycombe Lane, Wooburn Green, Buckinghamshire, HP10 0HH.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

No significant judgements or key assumptions have been made by management in preparing these financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A.
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenses

Expenses are included in the statement of comprehensive income on an accrual basis, net of discounts and value added tax.

Foreign currencies

The functional and presentational currency of the company is British Pound. Monetary assets and liabilities in foreign currencies are translated into British Pound at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into British Pound at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

Going concern

The financial statements have been prepared under the going concern basis. The parent company will continue to support the business by providing funds to enable the company to meet its liabilities as they fall due.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Deferred tax:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are only recognised to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and are subject to an insignificant risk of changes in value.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. TURNOVER

The turnover and profit (period ended 31 December 2016: loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Year Ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Rendering of commercial prospection and marketing services	<u>4,065,974</u>	<u>3,477,975</u>

An analysis of turnover by geographical market is given below:

	Year ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Europe	<u>100%</u>	<u>100%</u>

ALE UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017****4. OPERATING PROFIT**

The operating profit is stated after charging:

	Year ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Auditors' remuneration	7,300	7,150
Other operating leases	96,837	66,082
Pension costs	<u>259,789</u>	<u>247,609</u>
Director's remuneration	182,706	112,917
Director's pension contributions to money purchase scheme	<u>12,354</u>	<u>18,785</u>
The number of directors to whom retirement benefits were accruing was as follows		
Money purchase schemes	<u>1</u>	<u>1</u>

The average monthly number of employees during the year was as follows:
Sales and marketing

	Year ended 31.12.17	Period 1.4.16 to 31.12.16
Sales and marketing	<u>28</u>	<u>31</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Interest receivable on deposits	<u>90</u>	<u>1,079</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Exchange rate losses	27,308	221,487
Interest payable on loans from parent company	<u>14,178</u>	<u>35,245</u>
	<u>41,486</u>	<u>256,732</u>

ALE UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017****7. TAXATION****Analysis of the tax charge**

The tax charge on the profit (31 December 2016 = loss) on ordinary activities for the year was as follows:

	Year Ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Current tax:		
UK corporation tax	29,031	-
Adjustments in respect of previous period	<u>12,804</u>	<u>(12,804)</u>
Total current tax:	<u>41,835</u>	<u>(12,804)</u>

UK corporation tax was charged at 20% in 2016.

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.17 £	Period 1.4.16 to 31.12.16 £
Profit/(Loss) before tax	<u>71,149</u>	<u>(124,557)</u>
Profit/(Loss) multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	13,696	(24,911)
Effects of:		
Expenses not deductible for tax purposes	15,335	3,260
Adjustments to tax charge in respect of previous periods	12,804	(12,804)
Losses carried back	<u>-</u>	<u>21,651</u>
Total tax charge/(credit)	<u>41,835</u>	<u>(12,804)</u>

Factors affecting future tax charges

In the Budget on 8 July 2015, the Chancellor announced planned reductions in the Corporation Tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. This will reduce any future current tax charge accordingly.

A further reduction to the corporation tax rate by 1% to 17% by 1 April 2020 was announced in the Chancellor's 2016 budget statement and substantively enacted on 15 September 2016.

8. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Amounts owed by participating interests	-	566,493
Other debtors	141,629	86,053
VAT	9,118	18,457
Prepayments and accrued income	<u>-</u>	<u>34,627</u>
	<u>150,747</u>	<u>705,630</u>
Amounts falling due after more than one year:		
Other debtors	<u>301,169</u>	<u>301,079</u>
Aggregate amounts	<u>451,916</u>	<u>1,006,709</u>

ALE UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017****8. DEBTORS - continued**

The amounts owed by the group undertaking are unsecured, interest free and are repayable in line with the terms of the related invoices.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to parent undertakings	648,182	-
Corporation tax	4,189	35,727
Social security and other taxes	131,493	89,042
- Other creditors	-	6,273
Accruals and deferred income	<u>393,097</u>	<u>606,537</u>
	<u>1,176,961</u>	<u>737,579</u>

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

	2017	2016
	£	£
Amounts owed to parent undertakings	<u>-</u>	<u>438,892</u>

The amounts owed to the parent undertaking comprises of a loan from the parent company, ALE International. Interest is charged on the loan at a rate of EURIBOR plus 3% per annum, with no security given and is repayable on 18 March 2018.

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Land and Buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Within one year	77,175	77,175	19,662	13,020
Between one and five years	308,700	308,700	13,663	26,039
In more than five years	<u>192,938</u>	<u>270,113</u>	<u>-</u>	<u>-</u>
	<u>578,813</u>	<u>655,988</u>	<u>33,325</u>	<u>39,059</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
1	Share capital 1	£1	<u>1</u>	<u>1</u>

13. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is ALE Holding, a company incorporated in France.

The ultimate parent undertaking and controlling party is China Huaxin Post and Telecommunication Economic Development Center, a company incorporated in People's Republic of China.

China Infotech (Luxembourg) S.A. is the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2017. The consolidated financial statements of China Infotech (Luxembourg) S.A. are available from 11-13, Boulevard de la Foire, L-1528 Luxembourg.