

REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
ALE UK LIMITED

Sensitivity: Internal & Restricted



ALE UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

	Page
Company Information	1
Report of the Director	2
Statement of Director's Responsibilities	4
Report of the Independent Auditors	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

ALE UK LIMITED

COMPANY INFORMATION
for the year ended 31 December 2020

DIRECTOR: Mr Jason Paul Gibbs

REGISTERED OFFICE: Dakota
De Havilland Drive
Weybridge
Surrey
KT13 0YP

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 2020

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

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 2020 the company had shareholder's funds of £324,929 (31 December 2019: £238,703) after making a profit for the financial year of £86,226 (31 December 2019: £90,162). 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.

The World Health Organisation declared the Coronavirus disease a public health emergency of international concern on 30 January 2020 and recognised it as a pandemic on 11 March 2020. The disease started to have a significant impact on the UK and its economy in March 2020, with lockdown commencing on 23 March. At this stage in the global crisis, whilst it is not possible to predict the full impact. The company remains solvent.

On this basis, Management believes that its working capital will be sufficient to meet its cash requirements for the next 12 months and that the application of the accounting principle of going concern for the closing of accounts as at 31 December 2020 remains appropriate.

DIRECTOR

Mr Jason Paul Gibbs held office during the whole of the period from 1 January 2020 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
for the year ended 31 December 2020

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:



.....
Mr Jason Paul Gibbs - Director

Date: 23-06-2021

ALE UK LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
for the year ended 31 December 2020

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALE UK LIMITED**

Opinion

In our opinion the financial statements of ALE UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 14.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Director and the Statement of Director's Responsibilities, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment Law, Health and Safety Legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

Matters on which we are required to report by exception

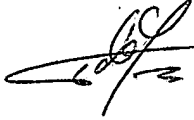
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.



Thierry De Gennes ACA (Senior Statutory Auditor)
For and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 23 June 2021

ALE UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER	3	3,487,169	4,012,326
Administrative expenses		<u>(3,391,374)</u>	<u>(3,906,601)</u>
OPERATING PROFIT	5	95,795	105,725
Interest receivable and similar income	6	307	1,541
Interest payable and similar expenses	7	<u>(942)</u>	<u>390</u>
PROFIT BEFORE TAXATION		95,160	107,656
Tax on profit	8	<u>(8,934)</u>	<u>(17,494)</u>
PROFIT FOR THE FINANCIAL YEAR		86,226	90,162
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>86,226</u>	<u>90,162</u>

STATEMENT OF FINANCIAL POSITION
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	9	20,668	27,520
CURRENT ASSETS			
Debtors	10	555,034	528,013
Cash at bank		<u>101,680</u>	<u>13,746</u>
		656,714	541,759
CREDITORS			
Amounts falling due within one year	11	<u>(352,453)</u>	<u>(330,576)</u>
NET CURRENT ASSETS		<u>304,261</u>	<u>211,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>324,929</u>	<u>238,703</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Retained earnings		<u>324,928</u>	<u>238,702</u>
SHAREHOLDERS' FUNDS		<u>324,929</u>	<u>238,703</u>

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

The financial statements were approved by the director and authorised for issue on 23-06-2021 and were signed by:



.....
Mr Jason Paul Gibbs - Director

ALE UK LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1	148,540	148,541
Total comprehensive income	-	90,162	90,162
Balance at 31 December 2019	1	238,702	238,703
Total comprehensive income	-	86,226	86,226
Balance at 31 December 2020	1	324,928	324,929

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2020**

1. COMPANY INFORMATION

ALE UK Limited ("the company") is a private limited company limited by shares incorporated and domiciled in England and Wales, registration number 08962735. The address of its registered office is Dakota, De Havilland Drive, Weybridge, Surrey, United Kingdom, KT13 0YP.

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.

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 Disclosure 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.

The coronavirus outbreak at the beginning of 2020 has brought about a deceleration of the economic activity in the United Kingdom. The spread of coronavirus globally has led the World Health Organization to classify it as a pandemic on 11 March 2020, and the events are currently fast evolving with the extent of the impact on the economy. Nevertheless, Management considered that the impact of COVID-19 will be null for ALE UK due to service agreement with ALE International (no change in transfer pricing policy expected).

On this basis, Management believes that its working capital will be sufficient to meet its cash requirements for the next 12 months and that the application of the accounting principle of going concern for the closing of accounts as at 31 December 2020 remains appropriate.

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Leasehold improvements - over the term of the lease

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.

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 before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business for the year ended 31 December 2020 is given below:

Rendering of services	£ <u>3,487,169</u>
	<u>3,487,169</u>

This analysis is not considered to be applicable to the year ended 31 December 2020.

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
Europe	100%	100%

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 26 (2019 - 27).

5. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Auditors' remuneration	16,185	7,475
Other operating leases	37,174	96,837
Pension costs	<u>220,658</u>	<u>192,093</u>

Directors' remuneration	94,630	136,110
Directors' pension contributions to money purchase scheme	<u>8,203</u>	<u>17,890</u>

The number of directors to whom retirement benefits were accruing was as follows
Money purchase schemes

<u>1</u>	<u>1</u>
----------	----------

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest receivable on deposits	<u>307</u>	<u>1,541</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Exchange rate losses	<u>942</u>	<u>(390)</u>

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	<u>8,934</u>	<u>17,494</u>
Tax on profit	<u>8,934</u>	<u>17,494</u>

UK corporation tax was charged at 19% in 2020.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2020	2019
	£	£
Profit before tax	<u>95,160</u>	<u>107,656</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	18,080	20,455
Effects of:		
Expenses not deductible for tax purposes	2,149	5,245
Adjustments to tax charge in respect of previous periods	<u>(11,295)</u>	<u>(8,206)</u>
Total tax charge	<u>8,934</u>	<u>17,494</u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery
	£
COST	
At 1 January 2019	-
Additions	34,259
Disposals	<u>-</u>
At 31 December 2019	34,259
Additions	-
Disposals	<u>-</u>
At 31 December 2020	<u>34,259</u>
DEPRECIATION	
At 1 January 2019	-
Charge for year	6,739
On disposals	<u>-</u>
At 31 December 2019	<u>6,739</u>
Change for the year	6,852
On disposals	<u>-</u>
At 31 December 2020	<u>13,591</u>
NET BOOK VALUE	
At 31 December 2020	<u>20,668</u>
At 31 December 2019	<u>27,520</u>

ALE UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020****10. DEBTORS**

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by participating interests	177,169	48,334
Other debtors	37,292	119,168
Corporation tax	36,406	-
VAT	-	56,651
	<u>250,867</u>	<u>224,153</u>
Amounts falling due after more than one year:		
Other debtors	<u>304,167</u>	<u>303,860</u>
Aggregate amounts	<u>555,034</u>	<u>528,013</u>

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Social security and other taxes	88,131	88,876
VAT	7,490	-
Other creditors	-	(199)
Accruals and deferred income	<u>256,832</u>	<u>241,899</u>
	<u>352,453</u>	<u>330,576</u>

12. LEASING AGREEMENTS

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

	Land and Buildings	
	2020	2019
	£	£
Within one year	52,800	77,175
Between one and five years	22,880	308,700
In more than five years	0	38,588
	<u>75,680</u>	<u>424,463</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
1	Share capital I	£1	<u>1</u>	<u>1</u>

The notes form part of these financial statements
Page 15

ALE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

14. **ULTIMATE CONTROLLING PARTY**

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

The ultimate parent undertaking and controlling party is China Poly Group Co. Ltd, 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 2020. The consolidated financial statements of China Infotech (Luxembourg) S.A. are available from 11-13, Boulevard de la Foire, L-1528 Luxembourg.