

TRISTONE FLOWTECH (UK) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)

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for the Year Ended 31 December 2022**

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TRISTONE FLOWTECH (UK) LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2022

DIRECTORS:

R Dawson
M O'Neill

REGISTERED OFFICE:

Tristone Flowtech Limited
Pure Offices Lake View Drive
Sherwood Park
Nottingham
NG15 0DT

REGISTERED NUMBER:

10795484 (England and Wales)

SENIOR STATUTORY AUDITOR: Sarah Flint BSc FCA

AUDITORS:

Bene Consulting Limited
48 Durrell Drive
Rugby
Warwickshire
CV22 7GW

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principle activity of the company is to provide services that support the provision of technologies and materials to customise product solutions within the automotive sector.

REVIEW OF BUSINESS

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

R Dawson
M O'Neill

SUPPLIER PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

GOING CONCERN

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors' expectation is after consideration of the continued impact of the uncertainties caused by inflation, raw material shortages and the semi-conductor crisis which they believe will impact on the level of activities but will have no net impact on the company.

This is based on confirmation of the continuance of the current service agreement and financial support from the parent company.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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;
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

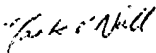
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Benec Consulting Limited are deemed to be re-appointed as auditor of the company in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

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:



.....
M O'Neill - Director

March 9, 2023

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRISTONE FLOWTECH (UK) LIMITED**

Opinion

We have audited the financial statements of Tristone Flowtech (Uk) Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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

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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRISTONE FLOWTECH (UK) LIMITED**

Matters on which we are required to report by exception

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 material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TRISTONE FLOWTECH (UK) LIMITED

Auditors' 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 a Report of the Auditors 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Requesting and reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of larger journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRISTONE FLOWTECH (UK) LIMITED**

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 a Report of the Auditors 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.



Sarah Flint BSc FCA (Senior Statutory Auditor)
for and on behalf of Bence Consulting Limited
48 Durrell Drive
Rugby
Warwickshire
CV22 7GW

Date: 10th March 2023

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**STATEMENT OF COMPREHENSIVE
INCOME
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
TURNOVER	3	932,700	1,008,091
Administrative expenses		907,398	983,731
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	25,302	24,360
Tax on profit	6	4,994	7,212
PROFIT FOR THE FINANCIAL YEAR		20,308	17,148
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		20,308	17,148

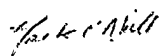
The notes form part of these financial statements

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**STATEMENT OF FINANCIAL POSITION
31 December 2022**

	Notes	£	2022 £	£	2021 £
CURRENT ASSETS					
Debtors	7		355,435		388,193
Cash at bank			103,097		76,060
			<u>458,532</u>		<u>464,253</u>
CREDITORS					
Amounts falling due within one year	8		378,473		158,782
			<u>80,059</u>		<u>305,471</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			80,059		305,471
CREDITORS					
Amounts falling due after more than one year	9		-		245,720
			<u>80,059</u>		<u>59,751</u>
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Retained earnings	11		79,959		59,651
			<u>80,059</u>		<u>59,751</u>
SHAREHOLDERS' FUNDS					

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 Board of Directors and authorised for issue on March 9, 2023 and were signed on its behalf by:



.....
M O'Neill - Director

The notes form part of these financial statements

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	100	42,503	42,603
Changes in equity			
Total comprehensive income	-	17,148	17,148
Balance at 31 December 2021	100	59,651	59,751
Changes in equity			
Total comprehensive income	-	20,308	20,308
Balance at 31 December 2022	100	79,959	80,059

The notes form part of these financial statements

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Tristone Flowtech (Uk) Limited 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 principle activity of the company is to provide services that support the provision of technologies and materials to customise product solutions within the automotive sector.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****2. ACCOUNTING POLICIES - continued**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Anhui Zhongding Sealing Co. Ltd. (incorporated in China). The group accounts of Anhui Zhongding Sealing Co. Ltd. are available to the public and can be obtained from the Shenzhen Stock Exchange.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured based on the consideration specified in an agreement with the parent company. The company recognises turnover when it transfers service to a customer based on the costs recorded. The costs include accrued costs which are estimated.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

The company recognises revenue from the following major sources:

- Services provided to a fellow group company

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Services provided to a fellow group company

Services are provided at a cost plus 5% basis. Services are invoiced monthly to be paid by the 15th of the following month.

Cash and cash equivalents

Cash and cash equivalents 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.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****2. ACCOUNTING POLICIES - continued****Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****2. ACCOUNTING POLICIES - continued**

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****2. ACCOUNTING POLICIES - continued****Equity Instruments**

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

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****2. ACCOUNTING POLICIES - continued****Employee benefit costs**

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors expectation is after consideration of the continued impact of the uncertainties caused by inflation, raw material shortages and the semi-conductor crisis which they believe will impact on the level of activities but will have no net impact on the company.

This is based on confirmation of the continuance of the current service agreement and financial support from the parent company.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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 is given below:

	2022 £	2021 £
Group services	932,700	1,008,091
	<u>932,700</u>	<u>1,008,091</u>

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
Europe	932,700	1,008,091
	<u>932,700</u>	<u>1,008,091</u>

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****4. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	597,246	633,109
Social security costs	75,510	80,434
Other pension costs	112,624	154,922
	<u>785,380</u>	<u>868,465</u>

The average number of employees during the year was as follows:

	2022	2021
Employees	<u>6</u>	<u>8</u>

	2022	2021
	£	£
Directors' remuneration	<u>194,636</u>	<u>180,924</u>

5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	3,570	3,089
Foreign exchange differences	<u>(1,379)</u>	<u>36,187</u>

6. TAXATION**Analysis of tax expense**

	2022	2021
	£	£
Current tax:		
Tax	4,994	4,712
Under/(over) provided in previous years	<u>-</u>	<u>2,500</u>
Total tax expense in statement of comprehensive income	<u>4,994</u>	<u>7,212</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed by group undertakings	305,026	329,128
Other debtors	<u>50,409</u>	<u>59,065</u>
	<u>355,435</u>	<u>388,193</u>

Amounts owed by group undertakings are measured at cost, are interest free and repayable on demand.

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	3,556	4,019
Tax	5,842	11,212
Other HMRC liabilities	387	-
Other creditors	236,342	6,003
Accrued expenses	132,346	96,397
Amounts owed to/(by) fellow group undertakings	-	41,151
	<u>378,473</u>	<u>158,782</u>

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

	2022	2021
	£	£
Other creditors	-	245,720
	<u>-</u>	<u>245,720</u>

Other creditors include a provision for termination bonus for Mr R Dawson (director) of £245,720 (2021 £245,720).

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

11. RESERVES

	Retained earnings £
At 1 January 2022	59,651
Profit for the year	<u>20,308</u>
At 31 December 2022	<u>79,959</u>

12. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £112,624 (2021 £154,922).

TRISTONE FLOWTECH (UK) LIMITED (REGISTERED NUMBER: 10795484)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022****13. ULTIMATE PARENT COMPANY**

Anhui Zhongding Sealing Co. Ltd (incorporated in China) is regarded by the directors as being the company's ultimate parent company.

The company is listed on the Shenzhen Stock Exchange.

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2022 and 31 December 2021:

	2022	2021
	£	£
R Dawson		
Balance outstanding at start of year	30,000	-
Amounts advanced	-	30,000
Amounts repaid	(7,390)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>22,610</u>	<u>30,000</u>

15. CONTROLLING PARTY

The company's immediate controlling party is Tristone Flowtech Holdings S.A.S (incorporated in France).