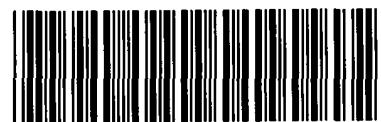


COWIN GLOBAL UK LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COWIN GLOBAL UK LIMITED

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COWIN GLOBAL UK LIMITED

COMPANY INFORMATION

Director	N Di Claudio
Registered number	09375021
Registered office	Broadway House Third Avenue, Westfield Industrial Estate Midsomer Norton Radstock, Banes United Kingdom BA3 4XD
Accountants	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

COWIN GLOBAL UK LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The director presents his annual report and the unaudited financial statements of Cowin Global UK Limited (the "company") for the year ended 31 December 2016.

Director

The director who served during the year and up to the date of signing the financial statements was:

N Di Claudio

Small companies exemption

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21/08/2017 and signed on its behalf by:

N Di Claudio
Director



COWIN GLOBAL UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Turnover	960,307	529,154
Cost of sales	<u>(995,030)</u>	<u>(450,013)</u>
Gross (loss)/profit	(34,723)	79,141
Administrative expenses	<u>(186,763)</u>	<u>(184,320)</u>
Operating loss	(221,486)	(105,179)
Loss before tax	(221,486)	(105,179)
Tax on loss	<u>-</u>	<u>-</u>
Loss for the financial year	<u>(221,486)</u>	<u>(105,179)</u>
 Total comprehensive expense for the financial year	 <u>(221,486)</u>	 <u>(105,179)</u>

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	2,678	5,306
Current assets			
Stocks	5	9,540	8,179
Debtors	6	105,431	48,175
Cash at bank and in hand		115,965	33,312
		<u>230,936</u>	<u>89,666</u>
Creditors: amounts falling due within one year	7	(560,179)	(198,677)
Net current liabilities		<u>(329,243)</u>	<u>(109,011)</u>
Total assets less current liabilities		<u>(326,565)</u>	<u>(103,705)</u>
Creditors: amounts falling due after more than one year		-	(1,374)
		<u>(326,565)</u>	<u>(105,079)</u>
Net assets		<u><u>(326,565)</u></u>	<u><u>(105,079)</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(326,665)	(105,179)
Total shareholders' deficit		<u><u>(326,565)</u></u>	<u><u>(105,079)</u></u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21/08/2017 by:

N Di Claudio
Director



The notes on pages 5 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Broadway House Third Avenue Westfield Industrial Estate, Midsomer Norton, Radstock, Banes, BA3 4XD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

2.3 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	50% straight line
Motor vehicles	-	50% straight line
Office equipment	-	50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

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

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.9 Finance leases

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2.10 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset has not been recognised for the losses experienced in the year as sufficient future taxable profits which these losses could be offset against are not expected in the foreseeable future.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2015: 3).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Tangible assets

	Plant and machinery £	Motor vehicles and company boats £	Furniture, fixtures, computer and other equipment £	Total £
Cost				
At 1 January 2016	-	7,098	1,900	8,998
Additions	1,374	-	532	1,906
At 31 December 2016	<u>1,374</u>	<u>7,098</u>	<u>2,432</u>	<u>10,904</u>
Accumulated depreciation				
At 1 January 2016	-	3,123	570	3,693
Charge for the year	532	2,927	932	4,391
Write off	-	-	142	142
At 31 December 2016	<u>532</u>	<u>6,050</u>	<u>1,644</u>	<u>8,226</u>
Net book value				
At 31 December 2016	<u>842</u>	<u>1,048</u>	<u>788</u>	<u>2,678</u>
At 31 December 2015	<u>-</u>	<u>3,975</u>	<u>1,331</u>	<u>5,306</u>

5. Stocks

	2016 £	2015 £
Work in progress (goods to be sold)	2,809	1,469
Finished goods and goods for resale	6,731	6,710
	<u>9,540</u>	<u>8,179</u>

6. Debtors

	2016 £	2015 £
Trade debtors	<u>105,431</u>	<u>48,175</u>

Trade debtors include £14,291 (2015: £Nil) due from group companies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,505	-
Amounts owed to group undertakings	393,852	147,942
Other taxation and social security	140,491	32,235
Obligations under finance lease and hire purchase agreements	1,374	3,377
Accruals and deferred income	19,957	15,123
	<u>560,179</u>	<u>198,677</u>

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase agreements	<u>-</u>	<u>1,374</u>

9. Commitments under operating leases

At 31 December the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	<u>2,000</u>	<u>-</u>

10. Related party transactions

i) Transactions with group companies

	2016 £
Cowin Global Holding Limited	
Purchase of materials from group	924,816
Sales of services to group	14,291
Loan to Cowin UK from Cowin China, all transaction loaned in the year, were all paid back by year end	<u>60,000</u>

COWIN GLOBAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Related party transactions (continued)

ii) Balances with group companies

	2016	2015
	£	£
Cowin Global Holding Limited		
Amounts owed to parent company	(393,852)	(147,029)
Amounts due from parent company	14,291	-
	<u><u> </u></u>	<u><u> </u></u>

11. Controlling party

The parent company and ultimate controlling party is Cowin Global Holding Limited, which is incorporated in China.