Registered number: 15715165

LGMG MACHINERY U.K. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

LGMG MACHINERY U.K. LIMITED

CONTENTS

LGMG MACHINERY U.K. LIMITED

COMPANY INFORMATION

Director	K Ma
Registered number	15715165
Registered office	Unit 6 Spitfire Court Triumph Business Park Speke Hall Road Liverpool L24 9GQ
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

LGMG MACHINERY U.K. LIMITED

DIRECTOR'S REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2024

The director presents his report and the financial statements from incorporation on 11 May 2024 to 31 December 2024.

Director

The director who served during the period was:

K Ma (appointed 8 October 2024)
W Chao (appointed 11 May 2024, resigned 8 October 2024)

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies note

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

This report was approved by the board and signed by the sole director.

签署人：

Ke Ma

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K Ma
Director

Date: 30-9-25 | 03:05 BST

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2024

The director is responsible for preparing the director's report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the company's financial statements 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 to 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 LGMG MACHINERY U.K. LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of LGMG Machinery U.K. Limited (the 'company') for the period ended 31 December 2024, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, 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 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2024 and of its loss for the period 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 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 United Kingdom, including the Financial Reporting Council'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 director's 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 director 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 annual report other than the financial statements and our auditor's report thereon. The director is 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 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.

Opinion 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

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 director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 director's report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence,capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs and relevant regulators including the Health and Safety Executive.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

DocuSigned by:
Blick Rothenberg Audit LLP
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Nicholas Winters (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 30-Sep-25 | 08:09 BST

LGMG MACHINERY U.K. LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2024

	8-Month period ended 31 December 2024 £
Turnover	1,242,672
Cost of sales	(1,157,155)
Gross profit	85,517
Administrative expenses	(498,699)
Operating loss	(413,182)
Interest receivable and similar income	28
Interest payable and similar charges	(9,750)
Loss before taxation	(422,904)
Tax on loss	-
Loss for the financial period	(422,904)

There are no items of other comprehensive income for 2024 other than the loss for the period. As a result, no separate Statement of Comprehensive Income has been presented.

REGISTERED NUMBER:15715165

LGMG MACHINERY U.K. LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £
Fixed assets			
Tangible assets	5		**124,612**
			124,612
Current assets			
Stocks	6	**12,284,358**	
Debtors: amounts falling due within one year	7	**3,096,500**	
Cash at bank and in hand		**558,144**	
		15,939,002	
Creditors: amounts falling due within one year	8	**(16,066,890)**	
Net current (liabilities)/assets			**(127,888)**
Total assets less current liabilities			**(3,276)**
Provisions for liabilities			
Other provisions		**(20,235)**	
			(20,235)
Net (liabilities)/assets			**(23,511)**
Capital and reserves			
Called up share capital	10		**10,000**
Capital contribution reserve	11		**389,393**
Profit and loss account	11		**(422,904)**
Total Equity			**(23,511)**

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 sole director.

签署人：

Ke Ma

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K Ma
Director

Date: 30-9-25 | 03:05 BST

LGMG MACHINERY U.K. LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Called up share capital	Capital contribution reserves	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	-	-	(422,904)	(422,904)
Contributions received during the period	-	389,393	-	389,393
Total comprehensive income for the period	-	389,393	(422,904)	(33,511)
Contributions by and distributions to owners				
Shares issued during the period	10,000	-	-	10,000
Total transactions with owners	10,000	-	-	10,000
At 31 December 2024	10,000	389,393	(422,904)	(23,511)

The notes on pages 11 to 20 form part of these financial statements.

1. General information

LGMG Machinery UK Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Unit 6 Spitfire Court Triumph Business Park, Speke Hall Road, Liverpool, England, L24 9GQ.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors consider this basis to be appropriate as the company has received a letter of financial support from its parent company, Lingong Heavy Machinery CO limited, confirming financial support for a period of at least 12 months from the date of approval of the financial statements.

The directors have made enquiries as to the financial position and performance of its parent company and supporting group. As disclosed in the group's most recent consolidated financial statements, the group has a solvent balance sheet and has sufficient cash reserves to finance the subsidiary.

Having considered post year end trading, financial results and cash reserves of the ultimate parent undertaking, and after making enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

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 profit or loss 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 profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.9 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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

The company’s policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 years
Fixtures and fittings	- 5 years
Office equipment	- 3 years
Leashold improvements	- 5 years

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 profit or loss.

2.11 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.

2.12 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Accounting policies (continued)

2.14 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

2.15 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and key estimates in applying the company's accounting policies. Significant items in the financial statements where these judgements and estimates have been made are:

Warranty provision

Each product has a warranty in place which is included in the standard product price. The revenue is recognised on the sale of the product, with a best estimate of the future costs of any warranty claim recorded within provisions.

This estimate includes management's judgement as to the percentage of customers who will have a warranty claim under the agreement based on past maintenance data by the group.

4. Employees

The average monthly number of employees, including directors, during the period was 7.

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Leasehold improvment £	Total £
Cost					
Additions	**20,578**	**2,324**	**5,100**	**101,109**	**129,111**
At 31 December 2024	**20,578**	**2,324**	**5,100**	**101,109**	**129,111**
Depreciation					
Charge for the period	**947**	**75**	**280**	**3,197**	**4,499**
At 31 December 2024	**947**	**75**	**280**	**3,197**	**4,499**
Net book value					
At 31 December 2024	**19,631**	**2,249**	**4,820**	**97,912**	**124,612**

6. Stocks

	2024 £
Finished goods and goods for resale	**12,284,358**

7. Debtors

	2024 £
Trade debtors	1,369,180
Amounts owed by group undertakings	14,385
Other debtors	1,678,154
Prepayments	34,781
	3,096,500

Amounts due from group undertakings are interest free, have no fixed repayment date and are repayable on demand.

8. Creditors: amounts falling due within one year

	2024 £
Trade creditors	4,800
Amounts owed to group undertakings	15,845,213
Other creditors	126,616
Accruals	90,261
	16,066,890

Included within amounts owed to group undertakings is a loan of £500,000 accruing interest at 6% with a repayment date of 2 September 2025.

The remaining balance is interest free and repayable on demand.

9. Provisions

	Warranty provision £
Charged to profit or loss	20,235
At 31 December 2024	20,235

A warranty provision is in place for the estimated future repairs amd maintenance costs to fulfill any warranty claim made by customers.

Further detail of how this amount has been determined is included in note 3.

10. Share capital

	2024 £
Allotted, called up and fully paid	
10,000 Ordinary shares of £1.00 each	**10,000**

Upon incorporation 10,000 Ordinary shares of £1.00 were allotted and fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. Reserves

Capital contribution reserve

The Capital contribution reserve represents capital contributions received by the Company from its parent company. These contributions are in the nature of capital and are not repayable. The reserve is not available for distribution as dividend.

12. Pension commitments

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

During the year, company contributions amounting to £2,801, were payable to this fund, with an amount of £2,234 included within other creditors at year end.

13. Commitments under operating leases

At 31 December 2024 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £
Not later than 1 year	**112,225**
Later than 1 year and not later than 5 years	**454,800**
Later than 5 years	**511,650**
	1,078,675

14. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

15. Parent undertaking

The smallest group for which consolidated financial statements are drawn up is headed by Lingong Heavy Machinery CO limited whose registered office is 2676 Ke Jia Lu, Licheng District, Jinan, Jinan, Shandong, China, 250105.

LGMG MACHINERY U.K. LIMITED
DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

These pages do not form part of the financial statements

LGMG MACHINERY U.K. LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2024

	8-Month period ended 31 December 2024 £
Turnover	1,242,672
Cost of sales	(1,157,155)
Gross profit	85,517
Less: overheads	
Administrative expenses	(498,699)
Operating (loss)/profit	(413,182)
Interest receivable	28
Interest payable	(9,750)
(Loss) before taxation	(422,904)

LGMG MACHINERY U.K. LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

	8-Month period ended 31 December 2024 £
Turnover	
Sales	1,237,436
Other income	5,236
	1,242,672

	8-Month period ended 31 December 2024 £
Cost of sales	
Closing stocks - finished goods	(12,284,358)
Purchases - finished goods	13,425,385
Carriage and import duty	16,128
	1,157,155

	8-Month period ended 31 December 2024 £
Administration expenses	
Staff salaries	**140,819**
Staff private health insurance	**54**
Staff national insurance	**21,034**
Staff pension costs	**5,765**
Staff training	**300**
Canteen	**2,099**
Motor vehicle leasing	**8,616**
Entertainment	**3,123**
Hotels, travel and subsistence	**24,281**
Consultancy	**22,050**
General office expenses	**20,914**
Advertising and promotion	**9,114**
Legal and professional	**11,707**
Accountancy fees	**5,841**
Equipment hire	**4,743**
Bank charges	**1,447**
Bad debts	**86,644**
Difference on foreign exchange	**347**
Sundry expenses	**24**
Rent	**56,375**
Cleaning	**1,514**
Insurances	**15,680**
Repairs and maintenance	**2,627**
Depreciation	**4,499**
Impairment	**4,023**
Warranty expense	**22,146**
Goods movement expense	**8,700**
Low value consumables	**14,213**
	498,699

	8-Month period ended 31 December 2024 £
Interest receivable	
Other interest receivable	**28**
	28

	8-Month period ended 31 December 2024 £
Interest payable	
Intercompany interest payable	**9,750**
	9,750