

**Company Registration No. 07662566 (England and Wales)**

**YOURUN INTERNATIONAL (UK) INVESTMENT &  
MANAGEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



# **YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	Jing Li
<b>Company number</b>	07662566
<b>Registered office</b>	2nd Floor 53 South Molton Street London W1K 5SF
<b>Auditor</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

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# **YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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The director presents her annual report and financial statements for the year ended 31 December 2015.

#### **Principal activities**

The principal activity of the company continued to be that of art consultancy and management services.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Jing Li

#### **Results and dividends**

The results for the year are set out on page 5.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### **Going concern**

The Directors consider that the Company has adequate resources to continue its operational existence for the foreseeable future, notwithstanding the fact that the Company has net current liabilities of £750,970 at 31 December 2015. The basis of this expectation is the Company has received support from parent company. Therefore, the financial statements have been prepared assuming the Company will continue as a going concern.

#### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Statement of director's responsibilities**

The director is responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. She 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.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Jing Li  
Director

16 September 2016



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

We have audited the financial statements of Yourun International (UK) Investment & Management Limited for the year ended 31 December 2015 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

#### **Emphasis of matter- Going concern**

In forming our opinion on the financial statements, which is unqualified as described above, we have considered the adequacy of the disclosure made in directors' report, note 1.2 and note 11 to the financial statements concerning the Company's ability to continue as a going concern. During the year the Company made losses of £206,249 and at year end the Company's current liabilities exceeded its current assets and total assets by £750,970. The Company's operation is currently relying on continuing financial support from its ultimate parent company, indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue in operation.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Director's Report for the financial year 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's Report.

**Matters on which we are required to report by exception**

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 director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Julie Wilson (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young

19/09/2016

**Chartered Accountants**  
**Statutory Auditor**

**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>		19,621	12,778
Cost of sales		(16,147)	(6,916)
<b>Gross profit</b>		3,474	5,862
Administrative expenses		(209,723)	(152,806)
<b>Operating loss</b>	<b>2</b>	(206,249)	(146,944)
Interest payable and similar expenses		-	(5)
<b>Loss before taxation</b>		(206,249)	(146,949)
Taxation		-	-
<b>Loss for the financial year</b>		(206,249)	(146,949)



**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	4	218	633
<b>Current assets</b>			
Stocks		21,164	37,311
Debtors	5	41,085	43,710
Cash at bank and in hand		-	9,819
		<u>62,249</u>	<u>90,840</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(813,219)</u>	<u>(10,627)</u>
<b>Net current (liabilities)/assets</b>		<u>(750,970)</u>	<u>80,213</u>
<b>Total assets less current liabilities</b>		<u>(750,752)</u>	<u>80,846</u>
<b>Creditors: amounts falling due after more than one year</b>	7	-	(625,349)
<b>Net liabilities</b>		<u><u>(750,752)</u></u>	<u><u>(544,503)</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	10,000	10,000
Profit and loss reserves		(760,752)	(554,503)
<b>Total equity</b>		<u><u>(750,752)</u></u>	<u><u>(544,503)</u></u>

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

The financial statements were approved and signed by the director and authorised for issue on 16 September 2016

Jing Li  
Director



Company Registration No. 07662566

# **YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

##### **Company information**

Yourun International (UK) Investment & Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, 53 South Molton Street, London, W1K 5SF.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Yourun International (UK) Investment & Management Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Going concern**

The financial statements have been prepared assuming the Company will continue as a going concern.

At 31 December 2015, the Company has net current liabilities of £750,970. However, the Director considers that the Company has adequate resources to continue its operational existence for the foreseeable future based on the continuing support from the parent company and the parent company will not seek repayment of the debts until the Company is in the position to do so.

The financial statements do not include the adjustments that would result if the Company would be unable to continue in operation.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

# YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

# YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

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.

##### *Basic financial liabilities*

Basic financial liabilities, including 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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 stock or fixed 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.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Operating loss

	2015	2014
	£	£
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	2,300	2,300
	<u>      </u>	<u>      </u>

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2014 - 2).

**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**4 Tangible fixed assets**

	<b>Plant and machinery etc</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	2,074
<b>Depreciation and impairment</b>	
At 1 January 2015	1,441
Depreciation charged in the year	415
At 31 December 2015	1,856
<b>Carrying amount</b>	
At 31 December 2015	218
At 31 December 2014	633

**5 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	41,085	43,710

**6 Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	16,815	-
Amounts due to group undertakings	757,500	-
Other taxation and social security	807	176
Other creditors	38,097	10,451
	813,219	10,627

Included in the creditors an amount of £757,500 was owed to the parent undertaking. In absence of a contractual agreement, the amount owed to parent undertaking is deemed to be payable on demand rather more than one year. However, the amount of £625,349 owed to the parent undertaking for the previous year was included under creditors - amount falling due after one year.

**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**7 Creditors: amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other creditors	-	625,349
	<u>          </u>	<u>          </u>

**8 Called up share capital**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>          </u>	<u>          </u>

**9 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Between two and five years	158,500	139,950
	<u>          </u>	<u>          </u>

**10 Related party transactions**

**Transactions with related parties**



**YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**10 Related party transactions**

**(Continued)**

At the year end included in the creditors, there is an amount of £757,500 (2014: £625,349) due to the parent company Nanjing Beautiful China Co. Limited.

At the year end included in the debtors, there is an amount of £781 (2014: £1,242 due to) due from Ivy Auction (UK) Limited in which Jing Li is a director.

At the year end included in the debtors there is an amount £477 (£159 each) due from Jiansu Cultural Commerce and Trade Associates Limited, Jiangsu China-UK Cultural Exchange Associates Limited and Jingdezhen Ceramics Cultural Exchange Associates (UK) Limited in which Jing Li is the sole director and shareholder.

**11 Parent company**

The ultimate controlling party is Nanjing Beautiful China Co., Limited, a company registered in People's Republic of China.