

REGISTERED NUMBER: 07662566 (England and Wales)

Report of the Director and
Financial Statements for the Year Ended 31 December 2016
for
YOURUN INTERNATIONAL (UK) INVESTMENT &
MANAGEMENT LIMITED

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for the Year Ended 31 December 2016

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YOURUN INTERNATIONAL (UK) INVESTMENT &
MANAGEMENT LIMITED

Company Information
for the Year Ended 31 December 2016

DIRECTOR:

Ms J Li

REGISTERED OFFICE:

2nd Floor
53 South Molton Street
London
W1K 5SF

REGISTERED NUMBER:

07662566 (England and Wales)

AUDITORS:

Wilson & Co
Chartered Certified Accountants
and Registered Auditors
262 Caledonian Road
London
N1 0NG

Report of the Director
for the Year Ended 31 December 2016

The director presents her report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of art consultancy and management services.

DIRECTOR

Ms J Li held office during the whole of the period from 1 January 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;

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 her 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Wilson & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:

Ms J Li - Director

12 May 2017

Report of the Independent Auditors 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 2016 on pages five to eleven. 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 Financial Reporting Standard 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 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.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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.

Opinion on other matter 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Report of the Director.

Report of the Independent Auditors to the Members of
YOURUN INTERNATIONAL (UK) INVESTMENT &
MANAGEMENT LIMITED

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 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Julie Wilson (Senior Statutory Auditor)
for and on behalf of Wilson & Co
Chartered Certified Accountants
and Registered Auditors
262 Caledonian Road
London
N1 0NG

12 May 2017

**YOURUN INTERNATIONAL (UK) INVESTMENT &
MANAGEMENT LIMITED (Registered number: 07662566)**

Income Statement
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
TURNOVER		3,611	19,618
Cost of sales		-	16,147
GROSS PROFIT		3,611	3,471
Administrative expenses		141,813 (138,202)	209,721 (206,250)
Other operating income		-	1
OPERATING LOSS	4	(138,202)	(206,249)
Interest receivable and similar income		3	-
LOSS BEFORE TAXATION		(138,199)	(206,249)
Tax on loss		-	-
LOSS FOR THE FINANCIAL YEAR		(138,199)	(206,249)

The notes form part of these financial statements

**YOURUN INTERNATIONAL (UK) INVESTMENT &
MANAGEMENT LIMITED (Registered number: 07662566)**

Balance Sheet
31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Tangible assets	5		80		218
CURRENT ASSETS					
Stocks	6	21,164		21,164	
Debtors	7	31,779		40,303	
Cash at bank		<u>12,285</u>		<u>-</u>	
		65,228		61,467	
CREDITORS					
Amounts falling due within one year	8	<u>11,555</u>		<u>55,719</u>	
NET CURRENT ASSETS			<u>53,673</u>		<u>5,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,753		5,966
CREDITORS					
Amounts falling due after more than one year	9		<u>942,704</u>		<u>756,718</u>
NET LIABILITIES			<u>(888,951)</u>		<u>(750,752)</u>
CAPITAL AND RESERVES					
Called up share capital			10,000		10,000
Retained earnings			<u>(898,951)</u>		<u>(760,752)</u>
SHAREHOLDERS' FUNDS			<u>(888,951)</u>		<u>(750,752)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 12 May 2017 and were signed by:

Ms J Li - Director

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. **STATUTORY INFORMATION**

YOURUN INTERNATIONAL (UK) INVESTMENT & MANAGEMENT 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.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 £888,951 at 31 December 2016. 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.

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

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.

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 recognized in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized, 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 recognized. The impairment reversal is recognized in profit or loss.

Derecognition of financial assets

Financial assets are derecognized 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 recognized 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 amortized.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. **ACCOUNTING POLICIES - continued**

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 recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. **EMPLOYEES AND DIRECTORS**

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

4. **OPERATING LOSS**

The operating loss is stated after charging:

	31.12.16	31.12.15
	£	£
Depreciation - owned assets	<u>138</u>	<u>415</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2016 and 31 December 2016	258	1,816	2,074
DEPRECIATION			
At 1 January 2016	258	1,598	1,856
Charge for year	-	138	138
At 31 December 2016	258	1,736	1,994
NET BOOK VALUE			
At 31 December 2016	-	80	80
At 31 December 2015	-	218	218

6. STOCKS

	31.12.16	31.12.15
	£	£
Stocks	21,164	21,164

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Other debtors	19,011	19,621
VAT	4,191	8,543
Prepayments and accrued income	8,577	12,139
	31,779	40,303

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Bank loans and overdrafts	71	1,493
Trade creditors	1	16,815
Social security and other taxes	(3,247)	807
Other creditors	2,311	17,352
Directors' current accounts	7,619	-
Accrued expenses	4,800	19,252
	11,555	55,719

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

	31.12.16	31.12.15
	£	£
Amounts owed to group undertakings	942,704	756,718

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

10. OTHER FINANCIAL 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:

2016 2015
£ £

Between two and five years 139,950 158,500

11. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

	31.12.16 £	31.12.15 £
Ms J Li		
Balance outstanding at start of year	-	-
Amounts advanced	(7,619)	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(7,619)</u>	<u>-</u>

12. RELATED PARTY DISCLOSURES

Transaction with related parties

At the year end including in the creditors, there is an amount of £942,704 (2015: £757,500) due to the parent company Nanjing Beautiful China Co. Limited.

At the year end included in the debtors, there is an amount of £791 (2015: £781 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 of £529 (2015: £477) due from Jiangsu 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.

13. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Parent Company.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.