Company registration number: 07772188

MRB RESIDENTIAL LIMITED

Financial statements

31 December 2021

MRB RESIDENTIAL LIMITED

Contents

MRB RESIDENTIAL LIMITED

Directors and other information

Directors	Mr Dayong PANG	(Appointed 1 March 2021)
	Mr Weisong CHEN	
	Mr Chi Wah Vincent CHOW	
	Dr Kai Sing Benny KWONG	
	Mr Yick Pang Philip POON	(Appointed 20 September 2021)
Company number	07772188	
Registered office	Chase Business Centre 39-41 Chase Side London N14 5BP	
Auditor	Ashford Louis Chartered Certified Accountants & Statutory Auditors 187 High Road Leyton London E15 2BY	

Directors report
Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Incorporation
The principal activity of the company is that of an intermediate holding company. The company is a wholly-owned subsidiary of Wide Flourish Investments Limited and holds investment in MRB Residential Partners LLP.

Directors
The directors who served the company during the year were as follows:

Mr Dayong PANG	(Appointed 1 March 2021)
Mr Weisong CHEN	
Mr Chi Wah Vincent CHOW	
Dr Kai Sing Benny KWONG	
Mr Yick Pang Philip POON	(Appointed 20 September 2021)

Other matters
The loss for the year was £7,046 (2020: loss of £4,869). No dividends have been proposed or paid in respect of the year (2020: £nil).

During the year, the company's investment in MRB Residential Partners LLP was impaired by £nil (2020: £nil) as disclosed in note 6.

Directors responsibilities statement
The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently; and
- make judgments and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

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

This report was approved by the board of directors on 12/08/2022 and signed on behalf of the board by:

Mr Dayong PANG
Director

Independent auditor's report to the members of MRB RESIDENTIAL LIMITED
Year ended 31 December 2021

Opinion
We have audited the financial statements of MRB RESIDENTIAL LIMITED (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter
In forming our opinion we have considered the adequacy of the disclosure made in note 3 of the financial statements concerning the going concern status of the company but our opinion is not qualified in this respect.

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 directors are responsible for the other information. 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.

Independent auditor's report to the members of MRB RESIDENTIAL LIMITED (continued)
Year ended 31 December 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

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 the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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:

- We obtained an understanding of the legal and regulatory requirements applicable to the company.

- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

- We inquired from management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We designed our audit procedures to identify instances of non-compliance throughout the audit and remained alert to instances of non-compliance throughout the audit.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report to the members of
MRB RESIDENTIAL LIMITED (continued)
Year ended 31 December 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditorresponsibilities. 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 auditors 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.

Eric Ashong (FCCA) (Senior Statutory Auditor)

For and on behalf of
Ashford Louis
Chartered Certified Accountants and Statutory Auditors
187 High Road Leyton
London
E15 2BY

Date: 02/09/2022

MRB RESIDENTIAL LIMITED

Statement of comprehensive income
Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover		-	-
Other operating expenses		(7,046)	(4,869)
Operating loss		(7,046)	(4,869)
Loss before taxation		(7,046)	(4,869)
Tax on loss		-	-
Loss for the financial year and total comprehensive income		(7,046)	(4,869)

All the activities of the company are from continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

MRB RESIDENTIAL LIMITED

Statement of financial position
31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	6	2,127,777		2,127,777	
			2,127,777		2,127,777
Current assets					
Debtors	7	30,445,859		30,445,859	
		30,445,859		30,445,859	
Creditors: amounts falling due within one year	8	(18,068,419)		(18,061,373)	
Net current assets			12,377,440		12,384,486
Total assets less current liabilities			14,505,217		14,512,263
Creditors: amounts falling due after more than one year	9		(50,461,248)		(50,461,248)
Net liabilities			(35,956,031)		(35,948,985)
Capital and reserves					
Called up share capital			1		1
Profit and loss account			(35,956,032)		(35,948,986)
Shareholders deficit			(35,956,031)		(35,948,985)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on ...12/08/2022 and are signed on behalf of the board by:

Mr Dayong PANG
Director

Company registration number: 07772188

The notes on pages 11 to 16 form part of these financial statements.

MRB RESIDENTIAL LIMITED

Statement of changes in equity
Year ended 31 December 2021

	Called up share capital	Profit and loss account	**Total**
	£	£	**£**
At 1 January 2020	1	(35,944,117)	(35,944,116)
Loss for the year		(4,869)	(4,869)
Total comprehensive income for the year	-	(4,869)	(4,869)
At 31 December 2020 and 1 January 2021	1	(35,948,986)	(35,948,985)
Loss for the year		(7,046)	(7,046)
Total comprehensive income for the year	-	(7,046)	(7,046)
At 31 December 2021	1	(35,956,032)	(35,956,031)

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Chase Business Centre, 39-41 Chase Side, London, N14 5BP.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.
The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

After making enquiries and bearing in mind the nature of the company's business and assets, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent (Tai United Holdings Limited) of the company has provided a letter of support confirming that it will make funds available to the company to enable the company to meet its obligations and liabilities as they fall due to the extent the company itself is unable to meet such obligations and liabilities in the twelve months following the date of signing the financial statements.

The financial impact of the pandemic on the valuation of tangible fixed assets, financial assets and financial liabilities as at the balance sheet date has been reflected in the financial statements. The directors are monitoring evelopments relating to coronavirus regularly and are coordinating its operational response based on existing business continuity plans, in addition to guidance from global health organisations, the government and general pandemic response best practices. Having reviewed the company's financial activities and support from the ultimate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty
Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances. The directors have not identified any sources of estimation uncertainty.

Impairment of investment
The directors consider whether the investment in MRB Residential Partners LLP is impaired. Where an indication of impairment is identified the determination of recoverable value requires estimation of the net realisable value of the stock held by MRB Residential Partners LLP.

As at 31 December 2021 the total Members' interest in MRB Residential Partners LLP amounted to a deficit of £45,940,391 (2020: deficit of £40,506,409). The stock held within MRB Residential Partners LLP is stated at cost of £86,567,900 (2020: £86,567,900).

On 31 December 2021 the stock held by MRB Residential Partners LLP was valued at £72,450,000 (2020: £74,970,000) on the basis of open market value.

The stock was impaired in the financial statements of MRB Residential Partners LLP by £4,225,000 during the year. As at 31 December 2021, the total Members deficit of MRB Residential Partners LLP was £45,940,391.

The company's share of interest in MRB Residential Partners LLP is 78.125%.
The directors have made a judgement that the investment of the company should remain the same.

Taxation
The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fixed asset investments
Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Basic financial instruments
(i) Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(ii) Investment
Investment is stated at cost less impairment.

Impairment
Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment. An impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed statement of comprehensive income.

Interest receivable and similar income
Interest receivable and similar income includes interest receivable on funds invested and interest on loan notes. Interest income is recognised in the statement of comprehensive income on an accrual basis.

Interest payable and similar charges
Interest payable and similar charges includes finance charges on borrowings classified as liabilities. Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 5 (2020: 3).

5. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	2021	2020
	£	£
Fees payable for the audit of the financial statements	3,600	3,600

6. Investments

	Loans to group undertakings and participating interests	Other investments other than loans	Total
	£	£	£
Cost			
At 1 January 2021 and 31 December 2021	27,929,951	781	27,930,732
Impairment			
At 1 January 2021 and 31 December 2021	25,802,955	-	25,802,955
Carrying amount			
At 31 December 2021	2,126,996	781	2,127,777
At 31 December 2020	2,126,996	781	2,127,777

The subsidiary undertaking is incorporated in England and Wales and the registered office and principal place of business is Chase Business Centre, 39-41 Chase Side, N14 5BP London England. The company's share of interest in MRB Residential Partners LLP is 78.125% and principal activity of MRB Residential Partners LLP is that of property development.

7. Debtors

	2021	2020
	£	£
Other debtors	30,445,859	30,445,859

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to Wide Flourish Investments Limited	17,990,473	17,990,473
Trade creditors	-	3,600
Amounts owed to group undertakings and undertakings in which the company has a participating interest	72,546	61,300
Other creditors	5,400	6,000
	18,068,419	18,061,373

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	50,461,248	50,461,248

The loan notes payable to Wide Flourish Investments Limited are as follows:

A loan notes together with the capitalised and accrued interest to that date, amounting to £20,015,389 (2020: £20,015,389). Interest on the A Loan notes is compounded semi-annually in arrears on 30 June and 31 December. Interest is accrued at a rate of 10% per annum. The A loan notes are unsecured.

B loan notes together with the capitalised and accrued interest to that date, amounting to £30,445,859 (2020: £30,445,859). Interest on the B loan Notes is compounded quarterly in arrears. Interest is accrued at a rate of 20% per annum. The B loan notes are unsecured.

10. Events after the end of the reporting period

The directors have evaluated the subsequent events from the date of the financial statements through to the date the financial statements were available to be issued. There were no subsequent events identified which required accrual or disclosure in these financial statements.

11. Related party transactions

The company has taken advantage of the exemptions under FRS 102 Section 33.1A and has not disclosed transactions with fellow group undertakings.

12. Controlling party

In the opinion of the directors, the immediate parent company is Wide Flourish Investments Limited and the ultimate controlling party is Tai United Holdings Limited.The largest and smallest group in which the results of the company are consolidated is that headed by Tai United Holdings Limited, incorporated in Bermuda. The consolidated financial statements of these groups may be obtained from Room 4202-03A, 42/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

13. Security

The company was entered as an additional guarantor of a loan Facility Agreement held with MRB Residential Partners LLP (the Subsidiary). The Bank of East Asia Limited has a cross company fixed floating and first legal charge over 6,7, 8-9 Buckingham gate, London SW1E 6JP.