

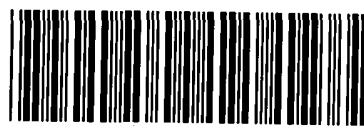
**Greenland (United Kingdom)  
Investment Limited**

Report and financial statements

Year Ended

31 December 2016

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## **Greenland (United Kingdom) Investment Limited**

**Report and financial statements  
for the year ended 31 December 2016**

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### **Company information**

**Country of Incorporation of parent Company**  
Hong Kong

**Legal form**  
Limited Company

**Director**  
W Qian

**Secretary**  
Michelmores Secretaries Limited

**Registered office**  
11<sup>th</sup> Floor City Tower, 40 Basinghall Street, London, EC2V 5DE

**Company number**  
08894451

**Independent Auditors**  
Ernst & Young LLP, 1 More London Place, London, SE1 2AF

**Solicitors**  
Michelmores LLP, 48 Chancery Lane, London, WC2A 1JF

# **Greenland (United Kingdom) Investment Limited**

## **Report and financial statements for the year ended 31 December 2016**

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# Greenland (United Kingdom) Investment Limited

Strategic report  
for the year ended 31 December 2016

## Strategy and Objectives

Greenland (United Kingdom) Investment Limited (the "Company") acts as a holding Company and to provide management and operational support services to other UK entities within the Greenland Group, Greenland RAM (London) Limited and Greenland Hertsmere (London) Limited. Both Greenland RAM and Greenland Hertsmere are property development companies. Greenland RAM aims to provide an exciting new residential and retail quarter, combining contemporary living with iconic heritage at the historic Young's brewery site. The entire project is divided into 3 phases of which phase 1 is planned to be completed by 2017. Greenland Hertsmere plans to turn the project into a symbolic building in London's financial district that will actively drive the industrial development and labour employment of London, and at the same time, increase the supply of residential property in London. The project is planned to be completed by 2021.

## Business Environment

Our parent company sees the UK and London, specifically, as a location as a strong place for investment when compared to other markets or geographies.

## Key financial performance indicators

The Company provides management and project management services to the other UK entities within the Greenland Group. The Company has plans to deliver profit before taxation margin of not less than 2% above the costs incurred in rendering its services. This serves as a key performance indicator of the Company. The company's key financial and other performance service indicators during the year were as follows:

	Year ended 31 December 2016	Year ended 31 December 2015	Change
Turnover	£4,361,751	£17,870,042	-76%
(Loss) / profit for the year	£(3,022)	£385,773	-101%

The decrease in revenue was due to a change in accounting policy in the treatment of intercompany loan. In 2016 £nil (2015: £13,599,963) was charged to its subsidiaries which had a direct impact on the turnover for the year. Interest payable to group in 2016 was £nil (2015: £12,923,458) which resulted in the decrease in profit for the year.

## Principal risks and uncertainties

The Board is responsible for the overall stewardship of our risk management system and internal control. The directors dedicate the principal risks and uncertainties facing the Company are broadly grouped – Liquidity risk, Health & Safety risk:

- Liquidity risk
  - The company operates within the borrowing guidelines and budgets established by our ultimate parent company, Greenland Holdings Group Overseas Investment Company Limited, and
- Health & safety risk
  - The company ensures that all appointed parties adhere to all national and regulatory "H&S" Standards.

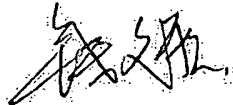
We continually assess our exposure to risk and seek to ensure that risks are appropriately mitigated.

## Approval

This strategic report was approved on behalf of the Board on

20 September 2017

W Qian



Director

Date:

# **Greenland (United Kingdom) Investment Limited**

## **Director's report for the year ended 31 December 2016**

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### **Director's report**

The director presents his report together with the audited financial statements of Greenland (United Kingdom) Investment Limited (the "Company") for the year ended 31 December 2016.

### **Principal activities**

The principal activity of the Company is to act as a holding Company and to provide management and operational support services to its subsidiaries.

### **Future developments**

The Company aims to continue to provide management and operational support services to the Company's subsidiaries.

### **Director**

The director of the Company throughout the year and to the date of approval of these financial statements was:

W Qian

### **Results**

The loss for the year, after taxation, amounted to £3,022 (2015 – profit of £385,773).

### **Dividends**

No dividends were paid during the year (2015 - £Nil). No dividend is recommended by the director in respect of the year ended 31 December 2016.

### **Changes to Policy**

The directors of the parent entities have made the decision that from 1 January 2016 interest was no longer to be charged on related party borrowings. The director of the Company has made the decision that from 1 January 2016 interest was no longer to be charged to Greenland RAM (London) Limited and Greenland Hertsmere (London) Limited. .

### **Going concern**

As at 31 December 2016 the Company had net current assets of £312,833 (2015 - £272,709). The Company is dependent upon continued financial support from a parent undertaking, Greenland Holding Group Overseas Investment Company Limited. Assurances have been received from the Greenland Holdings Group Overseas Investment Company Limited (which controls the company's intercompany creditors) that repayment of outstanding intercompany balances will not be required until the Company is able to make such repayments, and that additional support will be available from the parent to enable the Company to pay its liabilities as they fall due. Accordingly, the directors consider it appropriate to prepare the accounts on the going concern basis.

### **Events since the balance sheet date**

There were no events of significance in the post balance sheet period

## Greenland (United Kingdom) Investment Limited

Director's report (continued)  
for the year ended 31 December 2016

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### Disclosure of information to the auditor

The director who held office at the date of approval of this director's report confirms that, so far as he 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 to make him aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

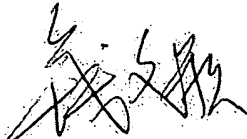
### Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Approval

This director's report was approved on behalf of the Board on

*20 September 2017*



W Qian

Director

Date:

# **Greenland (United Kingdom) Investment Limited**

## **Director's responsibilities statement for the year ended 31 December 2016**

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### **Director's responsibilities**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the director 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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. 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.

## **Independent auditor's report**

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### **To the members of Greenland (United Kingdom) Investment Limited**

We have audited the financial statements of Greenland (United Kingdom) Investment Limited for the year ended 31 December 2016 which comprise Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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 101 "Reduced Disclosure Framework".

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 Directors' Responsibilities Statement set out on page 4, the directors are 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors Report 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, including FRS 101 "Reduced Disclosure Framework"; 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 the audit:

- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## Independent auditor's report (*continued*)

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or 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 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.

*Ernst & Young LLP*

Daniel Saunders (senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date 26/9/17

# Greenland (United Kingdom) Investment Limited

## Income statement for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	4,361,751	17,870,042
Administrative expenses		(4,364,787)	(4,560,811)
<b>Operating (loss)/profit</b>	5	<b>(3,036)</b>	13,309,231
Interest payable and similar charges	9		(12,923,458)
Interest receivable		14	
<b>(Loss) / profit from operations before taxation</b>		<b>(3,022)</b>	385,773
Taxation on (loss) / profit on ordinary activities	10		
<b>(Loss) / profit for the year</b>		<b>(3,022)</b>	385,773

All amounts relate to continuing activities. There are no other items of comprehensive income in the current or prior year. The profit for the current and prior year equals the total comprehensive income for the current and prior year.

The notes on pages 10 to 20 form part of these financial statements.

# Greenland (United Kingdom) Investment Limited

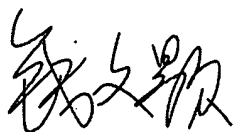
## Balance sheet at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible fixed assets	11	149,640		192,786	
Investments in subsidiaries	12	2		2	
			149,642		192,788
<b>Current assets</b>					
Debtors - due within one year	13	240,941		324,519,301	
Debtors – due more than one year	13	352,719,052			
Cash at bank and in hand		338,826		127,210	
<b>Total current assets</b>		353,298,819		324,646,511	
<b>Creditors: amounts falling due within one year</b>	14	(352,985,986)		(324,373,802)	
<b>Net current assets</b>			312,833		272,709
<b>Net assets</b>			462,475		465,497
<b>Capital and reserves</b>					
Share capital	15		1		1
Retained earnings			462,474		465,496
<b>Shareholders' funds</b>			462,475		465,497

The financial statements were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:

*20 September 2017*

W Qian  
Director



The notes on pages 10 to 20 form part of these financial statements.

# Greenland (United Kingdom) Investment Limited

## Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Retained earnings £	Total £
At 1 January 2015	1	79,723	79,724
Profit and total comprehensive income for the year	-	385,773	385,773
<b>At 31 December 2015</b>	<b>1</b>	<b>465,496</b>	<b>465,497</b>
Loss and total comprehensive loss for the year	-	(3,022)	(3,022)
<b>At 31 December 2016</b>	<b>1</b>	<b>462,474</b>	<b>462,475</b>

The notes on pages 10 to 20 form part of these financial statements.

# Greenland (United Kingdom) Investment Limited

## Notes forming part of the financial statements for the year ended 31 December 2016

### 1 Authorisation of financial statements and statement of compliance with FRS101

The principal activity of the Company is a holding Company and providing the finance and administration services to its subsidiaries.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

The accounts have been prepared in the company's functional currency, pounds sterling.

The principal accounting policies adopted by the Company are set out in note 2 and have been applied consistently.

### 2 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements have been prepared on a historical cost basis. The presentation currency used is sterling, which is also the functional currency of the Company.

#### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions conferred by FRS 101 and therefore these financial statements do not include:

- certain disclosures regarding the Company's capital, as suggested by paragraph 134-136 of IAS 1
- a statement of cash flows, as suggested by IAS7
- the effect of future accounting standards not yet adopted, as suggested by paragraph 30 & 31 of IAS 8
- disclosure of related party transactions with other wholly owned members of the group headed by Greenland Holding Group Overseas Investment Company Limited, as suggested by paragraph 17 and 18A of IAS 24

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Greenland Holding Group Overseas Investment Company Limited. These financial statements do not include certain disclosures in respect of:

- the requirements of IFRS 7

The financial statements of Greenland Holding Group Overseas Investment Company Limited can be obtained as described in note 19.

#### *Exemption from preparation of consolidated financial statements*

The financial statements contain information about Greenland (United Kingdom) Investment Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger non-EEA group. Please refer to Note 19 for parent undertakings for which group accounts are drawn up and of which the Company is consolidated into.

# Greenland (United Kingdom) Investment Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 2 Accounting policies (continued)

#### *Judgements and key areas of estimation uncertainty*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's director to exercise judgement in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### *Going concern*

As at 31 December 2016 the Company had net current assets of £312,833 (2015 - £272,709). The Company is dependent upon continued financial support from its ultimate parent Company, Greenland Holding Group Overseas Investment Company Limited. Assurances have been received from the ultimate parent Company that repayment of outstanding intercompany balances will not be required until the Company is able to make such repayments which is not expected to be for a period of at least 12 months from the date of signing these financial statements. Additional support will be available from the parent Company to enable the Company to pay its liabilities as they fall due. Accordingly, the director consider it appropriate to prepare the accounts on the going concern basis.

#### *Tangible fixed assets*

Tangible fixed assets are initially recognised at cost.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Fixtures and fittings - 20% per annum straight line with 5% residual value

#### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

#### *Financial assets*

The Company classifies its financial assets as discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity, fair value through profit or loss or available for sale.

Unless otherwise stated, the Company's financial assets are a reasonable approximation of their fair values.

The Company's accounting policy for each category is as follows:

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

# Greenland (United Kingdom) Investment Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

### 2 Accounting policies (*continued*)

#### Loans and Receivables (*continued*)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows at the original effective interest rate associated with the impaired receivable. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. The Company's loans and receivables comprise debtors in the Statement of Financial Position.

#### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

#### Financial liabilities

The Company classifies its financial liabilities as other financial liabilities. The Company has not classified any of its liabilities as being held at fair value through profit or loss.

#### Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

#### Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

#### Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Lease incentives primarily include up-front cash payments or rent-free periods. Lease incentives are capitalised and spread over the period of the lease term.

#### Foreign currency

Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

# Greenland (United Kingdom) Investment Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

### 2 Accounting policies (*continued*)

#### *Revenue recognition*

Turnover consists of management charges and interest receivable on loans in relation to the administration and management of its subsidiary undertakings. Turnover is exclusive of value added tax.

#### *Borrowing costs*

Interest incurred on the intercompany loan used to fund the construction or production of an asset that necessarily takes a substantial amount of time to get ready for intended use (or sale) are capitalised as part of the cost of that asset, net of interest received on cash drawn down yet to be expended.

#### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

#### *Accounting period*

The financial statements are prepared for the year ended 31 December 2016.

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

## 3 Critical accounting estimates and judgements

### *Estimates and assumptions*

#### *(a) Useful lives of property, plant and equipment*

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in note 11.

#### *(b) Legal proceedings*

The Company reviews outstanding legal cases following developments in the legal proceeding and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

#### *(c) Impairment of subsidiaries*

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the subsidiary) that the Company will be unable to recover the carrying value of its investment. As the value-in-use based on the estimated future cash flows of the subsidiaries is in excess of the investment carrying value, no impairment provisions are recognised.

## 4 Turnover

	2016 £	2015 £
Turnover arises from:		
Management services income	4,361,751	4,270,079
Interest Income		13,599,963
	<hr/>	<hr/>
	4,361,751	17,870,042
	<hr/>	<hr/>

The interest income was generated from the loan issued to other UK entities within the Greenland Group. This interest charge on the loan issued started from 1 January 2015. The Company ceased charging interest on 31 December 2015.

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

## 5 Operating profit

	2016 £	2015 £
Operating profit is stated after charging:		
Staff costs (see note 7)	2,769,745	3,071,636
Employees accommodations costs	160,043	170,244
Foreign exchange losses	56,812	135,069
Operating lease expense - Property	397,274	206,800
Professional fees	125,320	260,229
Office rental costs	321,425	309,175

## 6 Auditor remuneration

	2016 £	2015 £
- Fees for the audit of the Company	15,000	15,000
- Non audit services	9,150	9,150

## 7 Employees

	2016 £	2015 £
Staff costs (including the Company director) comprise:		
Wages and salaries	2,590,959	2,860,142
Social security costs	178,786	211,494
	<b>2,769,745</b>	<b>3,071,636</b>

The average number of employees (including director) during the year was 41 (2015 – 33).

## 8 Director's remuneration

	2016 £	2015 £
Salary	316,524	317,043

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

## 9 Interest payable

	2016 £	2015 £
Interest on intercompany loans		12,923,458

The interest charge related to loans issued from other UK entities within the Greenland Group. This interest charge on the loan issued started from 1 January 2015. The Company ceased incurring interest charges on 31 December 2015.

## 10 Taxation

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2016 £	2015 £
(Loss) / profit before income taxes	(3,022)	385,773
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 20% (2015 - 20%)	(604)	77,155
Expenses not deductible for tax purposes	9,156	5,116
Losses carried forward / (current year tax losses)	2,523	(82,271)
Group relief claimed	(11,075)	
Total tax expense		

### Factors that may affect future tax charges

The corporation tax rate reduced to 19% as of 1 April 2017 and will reduce to 17% as of 1 April 2020. This will reduce the company's future current tax accordingly. Deferred tax has been calculated using the substantively enacted rates at the year-end.

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (*continued*)

## 11 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At 1 January 2016	238,835
Additions	2,439
	<hr/>
At 31 December 2016	241,274
	<hr/>
<i>Accumulated depreciation</i>	
At 1 January 2016	46,049
Depreciation charge for the year	45,585
	<hr/>
At 31 December 2016	91,634
	<hr/>
<i>Net book value</i>	
At 31 December 2016	149,640
	<hr/>
At 31 December 2015	192,786
	<hr/>

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

## 12 Investment in subsidiary undertakings £

Cost

At 1 January 2016 and at 31 December 2016

2

### Subsidiary undertakings

The undertakings in which the Company's interest at the year end is 20% or more is as follows:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Greenland RAM (London) Limited	United Kingdom	100%	Property development
Greenland Hertsmere (London) Limited	United Kingdom	100%	Property development
Greenland RAM Residential Asset Management (London) Limited (Indirectly held by Company, directly held by Greenland RAM (London) Limited)	United Kingdom	100%	Dormant
Greenland Hertsmere Residential Asset Management (London) Limited (Indirectly held by Company, directly held by Greenland Hertsmere (London) Limited)	United Kingdom	100%	Dormant

The subsidiary undertakings have the same registered office as the company.

## 13 Debtors

	2016 £	2015 £
<b>Due more than one year</b>		
Amounts owed by group undertakings	352,719,052	-
<b>Due less than one year</b>		
Amounts owed by group undertakings	-	324,178,749
Other debtors	224,647	222,384
Prepayments and accrued income	16,294	118,168
	<b>352,959,993</b>	<b>324,519,301</b>

The amounts owed by group undertakings have no set repayment terms and interest is charged at 0% to 6% per annum. Up until 31 December 2015, interest was charged at 6% on intercompany loans. From 1 January 2016 onwards, no interest was charged on amounts outstanding.

# Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

## 14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	192,065	196,971
Amounts owed to group undertakings	352,265,092	323,563,956
Taxation and social security	108,364	76,087
Other creditors	420,465	536,788
	<u>352,985,986</u>	<u>324,373,802</u>

The amounts owed to group undertakings have no set repayment terms, and interest is charged at 0% to 6% per annum. The amounts are owed to Greenland Holding Group Overseas Investment Limited, Greenland Hong Kong Investment Group Limited, Greenland England Investment Limited and Vite Wright International Limited. Up until 31 December 2015, interest was charged at 6% on part of the intercompany loans. From that date until 24 February 2017, no interest was charged on amounts outstanding.

## 15 Share capital

	Authorised, allotted, called up and fully paid			
	2016 Number	2015 Number	2016 £	2015 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

## 16 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

## Greenland (United Kingdom) Investment Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (continued)

### 17 Commitments under operating leases

#### *Operating leases - lessee*

The total future value of minimum lease payments is due as follows:

	2016 £	2015 £
Not later than 1 year	259,212	259,212
Later than 1 year and not later than 5 years	460,954	720,165
Total	720,166	979,377

### 18 Related party transactions

The Company is a wholly owned subsidiary of Greenland Holding Group Overseas Investment Company Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 101 'Reduced Disclosure Framework' not to disclose transactions with Greenland Holding Group Overseas Investment Company Limited or other wholly owned subsidiaries within the group.

### 19 Ultimate parent Company and control

The immediate parent company is Greenland England Investment Limited, a Company incorporated and registered in Hong Kong. At 31 December 2016 the Company's ultimate parent Company was Greenland Holding Group Overseas Investment Company Limited, incorporated and registered in China.

The largest and smallest group of undertakings for which group accounts are drawn up and of which the Company consolidated into is the group headed by Greenland Holding Group Overseas Investment Company Limited.

Copies of the group financial statements of Greenland Holding Group Overseas Investment Company Limited are available on request from the Company's registered office, Room 2099, Buildings No.2, No.1800, Pan Yuan Road, Chong Ming District, Shanghai, China.

The Company is controlled by Greenland Holding Group Overseas Investment Company Limited.

### 20 Post balance sheet events

There were no events of significance in the post balance sheet period.