

**Greenland (United Kingdom) Investment  
Limited**

**Annual report and financial statements**

For the year ended 31 December 2021

Registered number: 08894451



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

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### **Company Information**

<b>Directors</b>	Taotao Song Dan Luo (appointed 20 September 2021, resigned 26 August 2022)
<b>Company secretary</b>	Michelmores Secretaries Limited
<b>Registered number</b>	08894451
<b>Registered office</b>	Old Brewer's House 76 Wandsworth High Street London SW18 4LB
<b>Independent auditors</b>	Ernst & Young LLP Statutory Auditor Bedford House 16 Bedford Street Belfast BT2 7DT
<b>Solicitors</b>	Michelmores LLP 100 Liverpool Street London EC2M 2AT

**Greenland (United Kingdom) Investment Limited**

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**Contents**

	<b>Page</b>
<b>Strategic report</b>	<b>1</b>
<b>Director's report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 7</b>
<b>Statement of comprehensive income</b>	<b>8</b>
<b>Statement of financial position</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 26</b>

## Greenland (United Kingdom) Investment Limited

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### Strategic report

For the year ended 31 December 2021

The directors present their Strategic report for Greenland (United Kingdom) Investment Limited ('the Company') for the year ended 31 December 2021.

#### Principal activity and business review

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

#### Principal risks and uncertainties

The Company provides support to its subsidiary companies, which are in the property development business. The main risks and uncertainties the Company is exposed to, is the valuation of the development property in the Company's subsidiaries.

#### Financial risks

##### *Liquidity risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Company uses long term finance to fund the development of properties in subsidiary companies and to ensure continuity of funding.

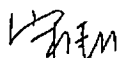
##### *Credit risk*

The Companies principal financial assets are cash and amounts due from subsidiaries. The credit risk associated with cash is limited as the counterparties have high credit ratings. The principal credit risk arises, therefore, from amounts due from subsidiaries.

In order to manage credit risk the directors regularly perform the performance and financial strength of the subsidiary companies.

This report was approved by the board on 28/9/2022 and signed on its behalf.

Taotao Song  
Director



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

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### **Director's report**

For the year ended 31 December 2021

The director presents his report and the financial statements of Greenland (United Kingdom) Investment Limited ('the Company') for the year ended 31 December 2021.

#### **Directors**

The directors who served during the year were:

Taotao Song

Dan Luo (appointed 20 September 2021, resigned 26 August 2022)

#### **Results**

The loss before tax for the year amounted to £63,829,516 (2020: Profit of £3,703,562). As at 31 December 2021, the Company had net current liabilities of £204,447,597 (2020: 140,924,351) and net liabilities of £204,422,867 (2020: £140,593,351).

#### **Going concern**

The directors have prepared the financial statements on the going concern basis as they believe that the Company can continue to meet its liabilities as and when they fall due. The company has the continuing financial support of its ultimate parent company, Greenland Holdings Corporation Limited, until 30 September 2023.

The company operates within the property development industry under the Greenland group. Assurances have been received from Greenland Holdings Corporation 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 ultimate parent company 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.

The Director has taken appropriate steps to satisfy himself that Greenland Holdings Corporation Limited has the financial means to provide support to the company if required, such steps include discussions with the group board of directors, understanding cash flow commitments of the group for the going concern period to 30 September 2023, challenging key assumptions, understanding the cash reserves and available facilities, including repayments due within the going concern period as well as understanding reasonable downside sensitivities. As a result of performing these procedures, the director was satisfied that the parent company can continue to support the company if required.

#### **Post balance sheet events**

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows.

## Greenland (United Kingdom) Investment Limited

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### Director's report (continued)

For the year ended 31 December 2021

#### Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

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

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

#### Disclosure of information to auditors

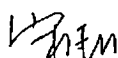
The director at the time when this Director's report is approved has confirmed that:

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

#### Auditors

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

This report was approved by the board on 28/9/2022 and signed on its behalf.



Taotao Song  
Director

## **Independent auditors' report to the members of Greenland (United Kingdom) Investment Limited**

For the year ended 31 December 2021

### **Opinion**

We have audited the financial statements of Greenland (United Kingdom) Investment Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 23, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 30 September 2023.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Independent auditors' report to the members of Greenland (United Kingdom) Investment Limited (continued)**

For the year ended 31 December 2021

### **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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have 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 Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Director's responsibilities statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## **Independent auditors' report to the members of Greenland (United Kingdom) Investment Limited (continued)**

For the year ended 31 December 2021

### **Auditors' 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 Auditors' 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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS 101 "Reduced Disclosure Framework", Companies Act 2006, Bribery Act 2010, Money Laundering regulations and relevant tax compliance regulations in the United Kingdom.
- We understood how Greenland (United Kingdom) Investment Limited is complying with those frameworks by performing inquiries from management and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation or completion of the following procedures:
  - Review of all minutes of management meetings held during the year and through to the most meeting held prior to the approval of these financial statements;
  - Review of the Company's code of conduct in their employee handbook setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
  - Reviewed accounting policies and completed a disclosure checklist to ensure compliance with FRS 101 and Company Law requirements; and
  - Review of any relevant correspondence received from regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management to gain an understanding of those areas of the financial statements which were susceptible to fraud, as identified by management. Following these procedures, one fraud risk was identified regarding management override regarding the recoverability of amounts due from group undertakings. We then considered the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved detailed analytical review procedures, reviewing accounting estimates for evidence of management bias, testing of the net realisable value of inventories, agreeing all sales proceeds to supporting documentation, testing of journal entries and enquiries of management regarding their knowledge of any instances of non-compliance with laws and regulations that could impact the financial statements. We noted no indications of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting

## **Independent auditors' report to the members of Greenland (United Kingdom) Investment Limited (continued)**

For the year ended 31 December 2021

Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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.

*Ernst & Young LLP*

Lindsay Russell (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

Date: 28th September 2022

**Greenland (United Kingdom) Investment Limited**


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**Statement of comprehensive income**

For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	3,600,000	3,932,526
<b>Gross profit</b>		<b>3,600,000</b>	<b>3,932,526</b>
Administrative expenses		(3,530,526)	(5,029,804)
Exceptional administrative expenses	11	(60,810,421)	(6,445,421)
<b>Operating loss</b>	6	<b>(60,740,947)</b>	<b>(7,542,699)</b>
Interest payable and similar expenses	12	(15,961)	(36,629)
Other finance income	10	(3,072,608)	11,282,890
<b>(Loss)/profit before tax</b>		<b>(63,829,516)</b>	<b>3,703,562</b>
Tax on (loss)/profit	13	-	-
<b>(Loss)/profit for the financial year</b>		<b>(63,829,516)</b>	<b>3,703,562</b>

There was no other comprehensive income for 2021 (2020:£NIL).

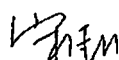
The notes on pages 11 to 26 form part of these financial statements.

**Greenland (United Kingdom) Investment Limited - Registered number: 08894451****Statement of financial position**

As at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	24,728	779,233
Investments	15	2	2
		<u>24,730</u>	<u>779,235</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	16	216,166,778	287,323,039
Debtors: amounts falling due within one year	16	167,556	191,335
Cash at bank and in hand	17	261,386	704,963
		<u>216,595,720</u>	<u>288,219,337</u>
Creditors: amounts falling due within one year	18	(421,043,317)	(429,143,688)
<b>Net current liabilities</b>		<u>(204,447,597)</u>	<u>(140,924,351)</u>
<b>Total assets less current liabilities</b>		<u>(204,422,867)</u>	<u>(140,145,116)</u>
Creditors: amounts falling due after more than one year	19	-	(448,235)
		<u>(204,422,867)</u>	<u>(140,593,351)</u>
<b>Net liabilities</b>		<u>(204,422,867)</u>	<u>(140,593,351)</u>
<b>Capital and reserves</b>			
Called up share capital	20	1	1
Profit and loss account		(204,422,868)	(140,593,352)
		<u>(204,422,867)</u>	<u>(140,593,351)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/9/2022



**Taotao Song**  
Director

The notes on pages 11 to 26 form part of these financial statements.

**Greenland (United Kingdom) Investment Limited****Statement of changes in equity**

For the year ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 January 2020</b>	<b>1</b>	<b>(144,296,914)</b>	<b>(144,296,913)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,703,562	3,703,562
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3,703,562</b>	<b>3,703,562</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 1 January 2021</b>	<b>1</b>	<b>(140,593,352)</b>	<b>(140,593,351)</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(63,829,516)	(63,829,516)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(63,829,516)</b>	<b>(63,829,516)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2021</b>	<b>1</b>	<b>(204,422,868)</b>	<b>(204,422,867)</b>

The notes on pages 11 to 26 form part of these financial statements.

## Greenland (United Kingdom) Investment Limited

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### Notes to the financial statements

For the year ended 31 December 2021

#### 1. General information

The Company is a private company limited by shares and incorporated in England and Wales. The registered office is Old Brewer's House, 76 Wandsworth High Street, London, SW18 4LB.

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The largest and smallest group of undertakings for which group accounts are drawn up and of which the Company is consolidated into is the group headed by Greenland Holdings Corporation Limited. Copies of the group financial statements of Greenland Holdings Corporation 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 has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

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

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### **Notes to the financial statements**

For the year ended 31 December 2021

#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

The directors have prepared the financial statements on the going concern basis as they believe that the Company can continue to meet its liabilities as and when they fall due. The company has the continuing financial support of its ultimate parent company, Greenland Holdings Corporation Limited, until 30 September 2023.

The company operates within the property development industry under the Greenland group. Assurances have been received from Greenland Holdings Corporation 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 ultimate parent company 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.

The Director has taken appropriate steps to satisfy himself that Greenland Holdings Corporation Limited has the financial means to provide support to the company if required, such steps include discussions with the group board of directors, understanding cash flow commitments of the group for the going concern period to 30 September 2023, challenging key assumptions, understanding the cash reserves and available facilities, including repayments due within the going concern period as well as understanding reasonable downside sensitivities. As a result of performing these procedures, the director was satisfied that the parent company can continue to support the company if required.

##### **2.4 Exemption from preparing consolidated financial statements**

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### **2.5 Revenue**

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

##### **2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## Greenland (United Kingdom) Investment Limited

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### Notes to the financial statements

For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% per annum with 5% residual value
ROU property assets	- Straight line over length of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss. Assets are reviewed for impairment when events or circumstances indicate that impairment indicators exist.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

###### Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

###### Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.



**Greenland (United Kingdom) Investment Limited**

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**Notes to the financial statements**

For the year ended 31 December 2021

**2. Accounting policies (continued)****2.10 Financial instruments (continued)****Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

All recognised financial liabilities are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial liability.

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**2.11 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Greenland (United Kingdom) Investment Limited

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### Notes to the financial statements

For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### 2.12 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

##### 2.13 Finance costs

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

##### 2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Greenland (United Kingdom) Investment Limited

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### Notes to the financial statements

For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### 2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

##### 2.16 Leases

###### The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Fixed Assets' line in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.6.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

**Greenland (United Kingdom) Investment Limited**

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**Notes to the financial statements**

For the year ended 31 December 2021

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

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 year are discussed below:

**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 in each class is included in note 14.

**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 the 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 advisors, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

**Deferred tax assets**

The Company currently has significant unrecognised deferred tax assets, as disclosed in note 12. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

**Recoverability of group balances**

The Company currently has significant balances outstanding from subsidiary companies. The directors review the outstanding balances and use their judgement to determine any required impairment based on their estimates of the total amounts recoverable. During the year, the Company recognised an impairment, as shown in note 13.

**Greenland (United Kingdom) Investment Limited**

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**Notes to the financial statements**

For the year ended 31 December 2021

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Management services income	3,600,000	3,932,526
	<u>3,600,000</u>	<u>3,932,526</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,600,000	3,932,526
	<u>3,600,000</u>	<u>3,932,526</u>

## Greenland (United Kingdom) Investment Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 5. Leases

##### Company as a lessee

The Company previously leased office space in London for use by its staff. They had a standard rental lease. Following the completion of a development by a subsidiary of the Company, the company's staff have been relocated to this building owned by the subsidiary undertaking.

Lease liabilities are due as follows:

	2021 £	2020 £
Not later than one year	-	277,182
Between one year and five years	-	448,235
	<u>-</u>	<u>725,417</u>

Contractual undiscounted cash flows are due as follows:

	2021 £	2020 £
Not later than one year	-	229,477
Between one year and five years	-	478,076
	<u>-</u>	<u>707,553</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £	2020 £
Interest expense on lease liabilities	<u>14,748</u>	<u>35,291</u>

#### 6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>205,478</u>	<u>225,010</u>

## Greenland (United Kingdom) Investment Limited

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### Notes to the financial statements

For the year ended 31 December 2021

#### 7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>22,153</u>	<u>19,000</u>

There were no non audit services performed by the auditor in either the current or preceding year.

#### 8. Employees

Staff costs (including Company directors) comprise:

	2021 £	2020 £
Wages and salaries	2,245,359	3,260,191
Social security costs	296,331	338,194
Pension contributions	155,631	163,049
	<u>2,697,321</u>	<u>3,761,434</u>

The average number of employees (including directors) during the year was 22 (2020 - 25).

#### 9. Directors' remuneration

Director's remuneration during the year amounted to £533,360 (2020 £489,562). The remuneration attributable to the highest paid director was £504,853 (2020 £489,562).

#### 10. Other finance (expense)/income

	2021 £	2020 £
Foreign exchange (loss)/gain on borrowings	(3,072,608)	11,282,890
	<u>(3,072,608)</u>	<u>11,282,890</u>

**Greenland (United Kingdom) Investment Limited**


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**Notes to the financial statements**

For the year ended 31 December 2021

**11. Exceptional items**

	2021 £	2020 £
Impairment expense on intercompany loans receivable	60,810,421	6,445,421
	<u>60,810,421</u>	<u>6,445,421</u>

Impairment has been recognised following a significant impairment being recognised in a subsidiary undertaking relating to the development property due to adverse movements in the market outlook.

**12. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	1,213	1,338
Interest on lease liabilities	14,748	35,291
	<u>15,961</u>	<u>36,629</u>

**13. Taxation**

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>



## Greenland (United Kingdom) Investment Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 13. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(63,829,516)	3,703,562
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(12,127,608)	703,677
<b>Effects of:</b>		
Expenses not deductible for tax purposes	11,555,334	1,226,187
Capital allowances for year in excess of depreciation	-	36,196
Fixed asset differences	189,559	-
Other timing differences leading to an increase (decrease) in taxation	(94,851)	-
Unrelieved tax losses carried forward	477,566	(950,000)
Group relief	-	(1,016,060)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

##### Factors that may affect future tax charges

The corporation tax rate will increase from 1 April 2023. The rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000. The potential deferred taxes have been calculated at a rate of 25%.

The Company has a potential deferred tax asset of £13,812,484 (2020 - £10,021,944) due to trading losses. No deferred tax asset has been recognised due to the uncertainty of future taxable profits.

## Greenland (United Kingdom) Investment Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 14. Tangible fixed assets

	Fixtures and fittings £	Right of use property asset £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	375,308	995,899	1,371,207
Disposals	(267,381)	(995,899)	(1,263,280)
At 31 December 2021	107,927	-	107,927
<b>Depreciation</b>			
At 1 January 2021	276,605	315,369	591,974
Charge for the year on owned assets	22,897	-	22,897
Charge for the year on right-of-use assets	-	182,581	182,581
Disposals	(216,303)	(497,950)	(714,253)
At 31 December 2021	83,199	-	83,199
<b>Net book value</b>			
At 31 December 2021	24,728	-	24,728
At 31 December 2020	98,703	680,530	779,233

#### 15. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	2
At 31 December 2021	2

## Greenland (United Kingdom) Investment Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 15. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Greenland RAM (London) Limited	Ordinary	100%
Greenland Hertsmere (London) Limited	Ordinary	100%
Greenland RAM Residential Asset Management (London) Limited *	Ordinary	100%
Greenland Hertsmere Residential Asset Management (London) Limited *	Ordinary	100%

All subsidiaries have the same registered office as the Company.

\* The shares in these entities are held by subsidiaries of the Company.

#### 16. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	216,166,778	287,323,039
	<u>216,166,778</u>	<u>287,323,039</u>
<b>Due within one year</b>		
Trade debtors	55,232	55,232
Other debtors	112,324	136,103
	<u>167,556</u>	<u>191,335</u>

The Company does not expect to collect amounts owed by group undertakings for at least one year. During the current year, the Company recognised an impairment on these amounts of £60,810,421 (2020 - £6,445,421).

#### 17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	261,386	704,963
	<u>261,386</u>	<u>704,963</u>

## Greenland (United Kingdom) Investment Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,270	1,271
Amounts owed to group undertakings	420,357,789	428,265,235
Lease liabilities	-	277,182
Other creditors	684,258	160,000
Accruals and deferred income	-	440,000
	<u>421,043,317</u>	<u>429,143,688</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.

#### 19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Lease liabilities	-	448,235
	<u>-</u>	<u>448,235</u>

Lease liabilities represent the present value of right of use lease liabilities as at 31 December 2021. The associated asset is disclosed in note 14. Interest charged on the lease liability is disclosed in note 5, and total cash payments of

#### 20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

#### 21. 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.

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

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### **Notes to the financial statements**

For the year ended 31 December 2021

#### **22. Post balance sheet events**

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows.

#### **23. Controlling party**

The immediate parent company is Greenland England Investment Limited, a company incorporated and registered in Hong Kong. At 31 December 2021, the Company's ultimate parent company was Greenland Holding Corporation 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 is 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.