

**YUANDA (UK) CO. LIMITED**

**Annual report and financial statements**

**Registered number 04428369**

**31 December 2015**

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## Strategic Report

The directors present the strategic report and financial statements for the year ended 31 December 2015.

### Review of the business

The directors consider the key performance indicators (KPIs) for the company to be the value of new orders received, the turnover and the cost of sales. 2015 saw a continued strong level in the value of new contracts secured, a steady turnover, and a stable cost of sales. However, the business suffered from the delay of two major London projects which impacted the revenue that could be recognized for 2015 from that which was forecast.

The upturn in the UK Construction Industry predicted in previous Annual Reports has materialized with new orders achieving strong levels with improved margins in 2014 continuing into 2015. The Group is therefore focusing much of its resource into the UK business, with particular emphasis on the London market which remains very strong. This trend has continued into 2015 and the first half of 2016.

### Principal risks and uncertainties

The principal risks and uncertainties that the business faced in recent years (economic conditions affecting the construction industry, the failure to secure target projects, continued pressure on margins due to excess capacity, and the effects of global exchange rate policies) receded in 2015, and appear to be less pronounced in terms of the outlook for 2016. However, the strength of the sector growth will place demands upon the availability of skilled installation labour within the Industry and measures are being put in place to lessen our dependency upon external resources.

The relative strengths of the Chinese Renminbi Yuan and the Euro will continue to play an important role in our competitiveness within the market sector.

### Future prospects

The improvement in the UK construction industry observed during 2013 continued at pace into 2014 and 2015, fuelled initially by mid-high end Residential Developments but supported by the Commercial Office Sector. The primary focus of this growth was in London and the South East. The Business is particularly strong in the Residential sector and in London, and so has benefited from the rapid development of this sector.

Yuanda were successful in securing service agreements and contracts for Residential developments at One Nine Elms, South Quay Plaza and The Madison, and the re-start of a major Commercial Office Building at 100 Bishopsgate for Brookfield Properties.

2015 also saw the successful completion of 261 City Road, South Bank Tower, Indecon Phase 2 and Saffron Block F which have all contributed to strengthening the position and reputation of Yuanda as a leading player in the UK facade industry.

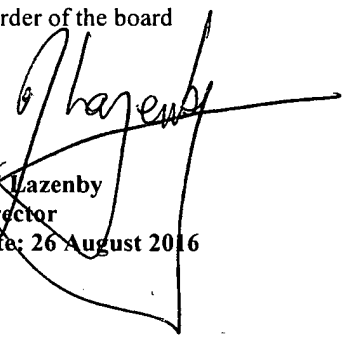
### Brexit

At the time of the preparation of this Report, the result of the Referendum on Europe has recently been announced. It is therefore too early to be able to predict with any certainty the likely implications for the Industry in general, and for Yuanda's exposure specifically. It can only be said that the current order book seems likely to be unaffected by the Brexit decision, as our exposure is primarily to the residential markets and our current projects all have a high ratio of pre-let apartments. Current thinking is that it is likely to be the commercial office sector which faces the highest uncertainty until the path ahead is clear, and our exposure in this sector is relatively small. Clearly, the devaluation of sterling will increase our sales prices in the UK as we are a net importer of goods, but this also holds true for our major competitors who are primarily European and therefore our relative competitiveness within the sector should not be compromised.

### Employees

The Group's employment policy is to provide equal opportunity to all current and prospective employees without any discrimination. We provide a work environment in which all individuals are treated with respect and dignity.

By order of the board



A. J. Hazenby  
Director  
Date: 26 August 2016

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## Directors' report

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

### Principal activity

The principal activity of the company in the year under review was that of the supply and installation of curtain walls, windows and doors to the Commercial and Residential sectors of the UK Construction market.

### Results and dividends

The results for the year are set out on page 7.

The Directors do not recommend payment of an ordinary dividend (2014: £nil).

### Directors

The directors shown below have held office during the whole of the period from 1<sup>st</sup> January 2015 to the date of this report.

Mr F Lee (Resigned on 01/05/2015)  
R Tong  
A J Lazenby  
D Baumeler  
W Xiao (Appointed on 01/05/2015)  
S L Cheesman (Appointed on 01/05/2015)

### Political contributions and charitable contributions

Yuanda (UK) Co. Limited, wholly-owned subsidiary, has made charitable donations of £nil (2014: £2,500) during the year under review.

### Disclosure of information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

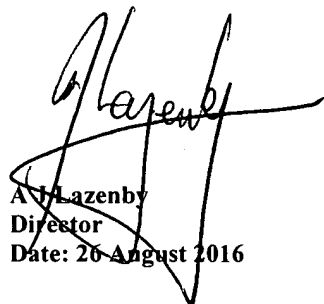
### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



A J Lazenby  
Director  
Date: 26 August 2016

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Yuanda (UK) Co. Limited**

We have audited the financial statements of Yuanda (UK) Co. Limited for the year ended 31 December 2015 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 directors 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**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

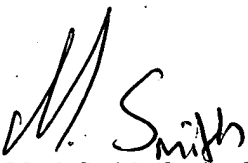
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Yuanda (UK) Co. Limited**

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

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

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



**Mark Smith (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

30 August 2016



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Note</i>	2015 £	2014 £
<b>Turnover</b>	2	58,538,731	35,162,644
Cost of sales		(53,010,740)	(31,258,671)
<b>Gross profit</b>		<u>5,527,991</u>	<u>3,903,973</u>
Administrative expenses		(4,524,621)	(3,308,867)
Other operating income		172,588	155,801
<b>Operating profit</b>	3	<u>1,175,958</u>	<u>750,907</u>
Other interest receivable and similar income		-	-
Interest payable and similar charges	6	<u>(136,500)</u>	<u>(18,035)</u>
<b>Profit on ordinary activities before taxation</b>		<u>1,039,458</u>	<u>732,872</u>
Tax on profit on ordinary activities	7	(16,330)	(44,814)
<b>Profit for the financial year</b>		<u><u>1,023,128</u></u>	<u><u>688,058</u></u>

All results derive from continuing operations.

There are no items to be disclosed as OCI.

The notes on pages 11 to 18 form part of the financial statements.

**Balance Sheet**  
*at 31 December 2015*

	Note	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	8		45,439		88,827
			<u>45,439</u>		<u>88,827</u>
<b>Current assets</b>					
Stocks	9	3,015,766		2,561,787	
Debtors (including £551,983 due after more than one year (2014: £33,930))	10	44,333,840		37,389,360	
Cash at bank and in hand	11	2,570,012		3,060,880	
		<u>49,919,618</u>		<u>43,012,027</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(58,328,469)</u>		<u>(52,487,394)</u>	
<b>Net current liabilities</b>			<u>(8,408,851)</u>		<u>(9,475,367)</u>
<b>Total assets less current liabilities</b>			<u>(8,363,412)</u>		<u>(9,386,540)</u>
<b>Capital and reserves</b>					
Called up share capital	14	500,000		500,000	
Profit and loss account		<u>(8,863,412)</u>		<u>(9,886,540)</u>	
<b>Shareholders' deficit</b>	15	<u>(8,363,412)</u>		<u>(9,386,540)</u>	

These financial statements were approved by the board of directors on 26 August 2016 and were signed on its behalf by:

  
AJ Lazenby  
Director

Company registered number: 04428369

**Statement of Changes in Equity**  
*for the year ended 31 December 2015*

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
Balance at 1 January 2014	500,000	(10,574,598)	(10,074,598)
Profit	-	688,058	688,058
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>	<b>500,000</b>	<b>(9,886,540)</b>	<b>(9,386,540)</b>
Profit	-	1,023,128	1,023,128
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2015</b>	<b>500,000</b>	<b>(8,863,412)</b>	<b>(8,363,412)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 18 form part of the financial statements.

## Cash Flow Statement

for year ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,023,128	688,058
Adjustments for:			
Depreciation, amortisation and impairment		49,352	51,449
Foreign exchange losses		(123,468)	-
Interest payable and similar charges		136,500	18,035
Taxation	7	16,330	44,814
		<hr/>	<hr/>
Increase in trade and other debtors	10	(6,944,480)	(10,353,353)
Increase in stocks	9	(453,979)	(1,902,030)
Increase in trade and other creditors	12	5,824,745	10,985,658
		<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>		(471,872)	(467,369)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Acquisition of tangible fixed assets	8	(5,964)	-
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		(5,964)	-
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Interest paid		(13,032)	(18,035)
		<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>		(13,032)	(18,035)
		<hr/>	<hr/>
Net (decrease) in cash and cash equivalents		(490,868)	(485,404)
Cash and cash equivalents at the beginning of the year		<u>3,060,880</u>	<u>3,546,284</u>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	11	2,570,012	3,060,880
		<hr/>	<hr/>

The notes on pages 11 to 18 form part of the financial statements.

## Notes (forming part of the financial statements)

### 1 Accounting policies

Yuanda (UK) Co. Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. The address of its registered office is 12th Floor, 125 Old Broad Street, London, UK, EC2N 1AR.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

In the transition to FRS 102 from UK Accounting Standards (UK Generally Accepted Accounting Practice), the Company has made no measurement and recognition adjustments.

The Company’s ultimate parent undertaking, Yuanda China Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Yuanda China Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 20, Street 13, Shenyang Economic & Technological Development Area, Shenyang, China. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.12.

#### 1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.3 Going concern

At the year end the company's balance sheet showed net liabilities of £8,349,790 (2014:£9,386,540) arising from losses incurred during the preceding years. The company is dependent upon the continuing support of its holding company in order to meet its liabilities as they fall due. The directors of the holding company have indicated their willingness to continue to support the company for the foreseeable future, and for at least a period of 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result from a withdrawal of support by the holding company.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### 1.5 Basic financial instruments

#### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

### 1.5 Basic financial instruments (continued)

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% Straight line
Fixture, fittings and equipment	20% Straight line

### 1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payment on account.

### 1.8 Stocks

Stock is valued at the lower of cost and net realisable value.

### 1.9 Employee benefits

#### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

### 1.10 Turnover

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.11 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### 1.12 Accounting estimates and judgements

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

#### 1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

## Notes (continued)

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit on ordinary activities before taxation

*Operating profit on ordinary activities before taxation is stated after charging:*

	2015 £	2014 £
Depreciation of owned fixed assets	49,352	51,449
Foreign exchange losses	123,468	5,791
Auditor's remuneration:		
- Audit of these financial statements	35,000	35,000
- Taxation compliance services	6,000	4,200
Operating lease rentals	301,713	247,716
	<u>          </u>	<u>          </u>

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Administration	9	8
Sales/technical	56	44
	<u>          </u>	<u>          </u>
	65	52
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	3,239,243	2,524,806
Social security costs	358,982	286,585
Other pension costs	75,315	66,048
	<u>          </u>	<u>          </u>
	3,673,541	2,877,439
	<u>          </u>	<u>          </u>



## Notes (continued)

### 5 Directors' emoluments

	2015	2014
	£	£
Directors' remuneration	184,200	44,946
Pension costs	13,296	1,362
Long term incentive schemes	10,000	

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £121,000 (2014: £ 0), and company pension contributions of £ 11,100 (2014: £ 0) were made to a money purchase scheme on his behalf.

The remuneration for Alistair Lazenby and Dominik Baumeler are borne and paid by Yuanda Europe Limited. The payment in relation to their services for Yuanda (UK) Co Limited is £211,008 (2014: £200,328).

### 6 Interest payable and similar charges

	2015	2014
	£	£
On bank loans and overdrafts	13,032	9,952
On all other loans	-	2,292
Net exchanges losses	123,468	5,791
Total other interest payable and similar charges	136,500	18,035

### 7 Taxation

	2015	2014
	£	£
Current tax		
Current tax on income for the period	16,630	44,814
Total current tax	16,630	44,814

### Reconciliation of effective tax rate

	2015	2014
Profit for the year	1,023,128	688,058
Total tax expense	16,630	44,814
Profit excluding taxation	1,039,458	732,872
Tax using the UK corporation tax rate of 20.25 % (2014: 21.5 %)	210,490	157,567
Non-deductible expenses for tax purpose	34,051	19,456
Utilisation of previous loss	(206,896)	(121,613)
Capital allowance	(2,697)	(3,210)
Net non-trading credits per accounts	(18,318)	(7,386)
Total tax expense included in profit or loss	16,630	44,814

## Notes (continued)

### 8 Tangible fixed assets

	Plant and Equipment £	Fixtures & fittings £	Total £
<b>Cost</b>			
At beginning of the year	81,300	324,443	405,743
Additions	-	5,964	5,964
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	81,300	330,407	411,707
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At the beginning of the year	81,300	235,616	316,916
Depreciation charge for the year	-	49,352	49,352
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	81,300	284,968	366,268
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2015	-	45,439	45,439
	<hr/>	<hr/>	<hr/>
At 31 December 2014	-	88,827	88,827
	<hr/>	<hr/>	<hr/>

### 9 Stocks

	2015	2014
	£	£
Finished goods and goods for resale	3,015,766	2,561,787
	<hr/>	<hr/>

### 10 Debtors

	2015	2014
	£	£
Trade debtors	3,701,190	1,181,651
Amounts recoverable on contracts (WIP)	5,598,148	3,433,913
Amounts owed by subsidiary undertakings	34,537,363	31,449,777
Other debtors	256,441	1,145,182
Prepayments and accrued income	240,698	178,837
	<hr/>	<hr/>
	44,333,840	37,389,360
	<hr/>	<hr/>

Debtors include construction contract debtors of £551,983 (2014: £33,930) due after more than one year.

## Notes (continued)

### 11 Cash and cash equivalents/ bank overdrafts

	2015 £	2014 £
Cash at bank and in hand	2,570,012	3,060,880

### 12 Creditors: amounts falling due within one year

	2015 £	2014 £
Payments received on account	11,856,639	6,057,327
Trade creditors	6,371,024	3,394,488
Amounts owed to group undertakings	35,376,354	40,672,265
Taxation and social security (includes corporation tax)	382,447	223,515
Other creditors	905,097	2,076,429
Accruals and deferred income	3,436,908	63,370
	<u>58,328,469</u>	<u>52,487,394</u>

### 13 Employee benefits

#### Defined contribution plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The total expense relating to this plan in the current year was £75,315 (2014: £62,524).

### 14 Called-up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
500,000 ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

### 15 Reserves

	Called-up share capital £	Profit and loss account £	Total £
Balance at 1 January 2015	500,000	(9,886,540)	(9,386,540)
Profit for the year	-	1,023,128	1,023,128
	<u>500,000</u>	<u>(8,863,412)</u>	<u>(8,363,412)</u>

## Notes (continued)

### 16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and Buildings 2015 £	2014 £
Less than one year	223,000	223,000
Between one and five years	25,397	248,397
More than five years	-	-
	<u>248,397</u>	<u>471,397</u>

During the year £301,713 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £247,716).

### 17 Related parties

As a wholly owned subsidiary within the group controlled by Shenyang Yuanda Aluminium Industry Engineering Co. Ltd, the Company is exempt from the requirements of FRS 102 'Related party disclosures' from disclosing the transactions with other members of the group headed by Shenyang Yuanda Aluminium Industry Engineering. The Company has no transactions with any other related parties requiring disclosure in the period.

### 18 Ultimate parent company and parent company of larger group

The immediate parent company is Yuanda Europe Limited, a company incorporated in Switzerland. The ultimate controlling party is Yuanda China Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by Yuanda China Holdings Limited, registered in Cayman Islands. The smallest group in which they are consolidated is that headed by Yuanda Europe limited, incorporated in Switzerland. The consolidated financial statements of these groups are available to the public and may be obtained from its headquarters in China at 20, Street 13, Shenyang Economic & Technological Development Area, Shenyang, China.