

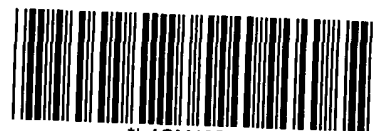
YUANDA (UK) CO. LIMITED

Annual report and financial statements

Registered number 04428369

31 December 2014

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COMPANIES HOUSE

COMPANY INFORMATION

Directors	Mr F Lee RTong A J Lazenby D Baumeler
Secretary	D Baumeler
Company number	04428369
Registered office	125 Old Broad Street 26th Floor London EC2N1AR
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Business address	12thFloor 125 Old Broad Street London EC2N 1AR

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Strategic Report

The directors present the strategic report and financial statements for the year ended 31 December 2014.

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. 2014 saw a continued strong level in the value of new contracts secured, a steady turnover, and a stabilised cost of sales. However, the business suffered from the delay of a major London project which impacted the revenue that could be recognized for 2014 from that which was forecast.

The upturn in the UK Construction Industry predicted in the 2013 Annual Reports has materialized with New Orders achieving strong levels with improved margins. 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 seems set to continue into 2015 and 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 2014, and appear to be less pronounced in terms of the outlook for 2015-2016. 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 2012 and 2013 continued at pace into 2014, 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.

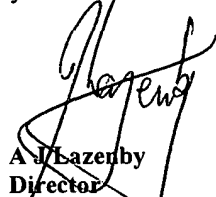
Yuanda were successful in securing contracts for Residential developments at One Blackfriars Road and Newington Butts, and a Commercial Office Building at Old Street Yard for Derwent Properties.

2014 also saw the successful completion of GWQ Brentford, and the landmark City tower of The Leadenhall Building which has, in particular, contributed to strengthening the position and reputation of Yuanda as a leading player in the UK facade industry.

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. Lazenby
Director

Date: 18-04-2015

Directors' report

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

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 6.

The Directors do not recommend payment of an ordinary dividend (2013: £nil).

Directors

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of this report.

Mr F Lee
RTong
A J Lazenby
D Baumeler

Political contributions and charitable contributions

Yuanda (UK) Co. Limited, wholly-owned subsidiary, has made charitable donations of £2,500 (2013: £nil) 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 2.

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:

18-09-2015

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).

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. for the year ended 31 December 2014 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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.

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 2014 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 matter 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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
London
Date: 23/09/2015

Profit and Loss Account
For the Year Ended 31 December 2014

	<i>Note</i>	2014 £	Restated 2013 £
Turnover	2	35,162,644	44,550,193
Cost of sales		(31,258,671)	(45,274,856)
		<hr/> 3,903,973	<hr/> (724,663)
Gross profit/(loss)			
Administrative expenses		(3,308,867)	(2,636,665)
Other operating income		155,801	16,489
		<hr/> 750,907	<hr/> (3,344,839)
Operating profit/(loss)	3		
Other interest receivable and similar income	4	-	92,353
Interest payable and similar charges	5	(18,035)	(5,181)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		732,872	(3,257,667)
Tax on profit/(loss) on ordinary activities	6	(44,814)	-
		<hr/>	<hr/>
Profit/(loss) for the financial year		<hr/> 688,058 <hr/>	<hr/> (3,257,667) <hr/>

All results derive from continuing operations.

The notes on pages 11 to 17 form part of the financial statements.

Balance Sheet
As at 31 December 2014

	Note	2014 £	£	Restated 2013 £	£
Fixed assets					
Tangible assets	7		88,827		140,276
			<u>88,827</u>		<u>140,276</u>
Current assets					
Stocks	8	2,561,787		659,757	
Debtors	9	37,389,360		27,036,007	
Cash at bank and in hand		3,060,880		3,546,284	
		<u>43,012,027</u>		<u>31,242,048</u>	
Creditors: amounts falling due within one year	10	<u>(52,487,394)</u>		<u>(41,456,922)</u>	
Net current liabilities			(9,475,367)		(10,214,874)
Total assets less current liabilities			<u>(9,386,540)</u>		<u>(10,074,598)</u>
Capital and reserves					
Called up share capital	12		500,000		500,000
Profit and loss account	13		(9,886,540)		(10,574,598)
Shareholders' deficit	14		<u>(9,386,540)</u>		<u>(10,074,598)</u>

These financial statements were approved by the board of directors on

and were signed on its behalf by:


AJ Lazenby
Director

18-09-2015

Company registered number: 04428369

Cash Flow Statement
For the year ended 31 December 2014

	2014		2013
	£	£	£
Net cash (outflow)/inflow from operating activities	(467,369)		3,051,833
Returns on investments and servicing of finance			
Interest received	-		92,353
Interest paid	(18,035)		(5,181)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(18,035)		87,172
Taxation	-		-
Cash (outflow)/inflow before management of liquid resources and financing	(485,404)		3,139,005
(Decrease)/increase in cash in the period	(485,404)		3,139,005

The notes on pages 11 to 17 form part of the financial statements

Notes to the Cash Flow Statement

For the year ended 31 December 2014

Reconciliation of operating profit/ (loss) to net cash inflow from operating activities

	2014 £	Restated 2013 £
Operating profit/(loss)	750,907	(3,344,839)
Depreciation of tangible assets	51,449	81,100
(Increase)/decrease in stocks	(1,902,030)	3,721,432
(Increase) in debtors	(10,353,353)	(4,102,391)
Decrease in creditors	10,985,658	6,696,531
Net cash (outflow)/inflow from operating activities	(467,369)	3,051,833
(Decrease)/increase in cash in the period	(485,404)	3,139,005

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
(Decrease)/increase in cash in the year	(485,404)	3,139,005
Movement in net funds in the year	(485,404)	3,139,005
Opening net funds	3,546,284	407,279
Closing net funds	3,060,880	3,546,284

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2014

	2014	Restated
	£	2013
		£
Profit for the financial year	732,872	(3,257,667)
	<hr/>	<hr/>
Total recognised gains and losses relating to the financial year	732,872	(3,257,667)
		<hr/>
Prior year adjustment (as explained in note 1)	(1,735,390)	
	<hr/>	
Total gains and losses recognised since last annual report	(1,002,518)	
	<hr/>	

Notes

(Forming part of the financial statements)

1 Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

At the year end the company's balance sheet showed net liabilities of £9,386,540 (2013:£10,074,598) arising from losses incurred during the current and 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.

1.2. 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.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Stock

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

1.6. 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 payments on account.

1.7. Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8. Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax assets are recognised only where there is persuasive and reliable evidence that suitable taxable profits will be available in the future.

Notes (continued)

Accounting policies (continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Prior year restatements

As stated in 1.2 turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. The cost to date of one particular project incurred in 2013 was 95% of total expected costs. In 2013 100% of total expected costs was used as the basis of revenue recognition. As a consequence a restatement has been made to reduce revenue by £1,735,390 (a reduction by the same amount is therefore made to profit and loss for the period) and reduce the amount recoverable on contracts (WIP) by the same amount for the year ended 31 December 2013. The impact on the net assets is therefore £1,735,390.

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 Notes to the profit and loss account

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	51,449	81,100
Operating lease rentals	268,879	285,945
and after crediting:		
Loss/(profit) on foreign exchange transactions	5,791	(75,284)
	<hr/>	<hr/>

Auditor's remuneration:

	2014 £	2013 £
Fees payable to the company's auditor for the audit of the company's annual accounts	35,000	20,300
Taxation compliance services	4,200	3,000
Other non - audit services: advice on accounting matters and provision of accounting services	-	10,500
	<hr/>	<hr/>
	41,200	33,800
	<hr/>	<hr/>

The prior year comparatives relate to the previous auditors and were not paid to KPMG LLP.

4 Income from other fixed asset investments

	2014 £	2013 £
Other interest	-	92,353
	<hr/>	<hr/>

Notes (continued)

5 Interest payable and similar charges

	2014 £	2013 £
On bank loans and overdrafts	9,952	5,047
On all other loans	2,292	-
Net exchange losses	5,791	134
	<u>18,035</u>	<u>5,181</u>

6 Taxation

Analysis of charge in period

	2014 £	Restated 2013 £
<i>UK corporation tax</i>		
Current tax on income for the period	44,814	-
	<u>44,814</u>	<u>-</u>
Total current tax	44,814	-

Factors affecting the tax charge for the year

Profit on ordinary activities before tax before prior year adjustment	732,872	(3,257,667)
	<u>732,872</u>	<u>(3,257,667)</u>
Profit (Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.5 % (2013- 23.00 %)	157,567	(749,263)
Effects of:		
Expenses not deductible for tax purposes	19,546	(2,308)
Depreciation add back	51,449	18,653
Capital allowances for period in excess of depreciation	(233,325)	(4, 189)
Charges	(4,900)	-
Utilisation of tax losses	(565,6420)	737,107
Other income – non – trading credit	218,391	-
Non – trading debits per accounts	(9,952)	-
	<u>44,814</u>	<u>-</u>
Total current tax charge (see above)	44,814	-

The company has loss of £9,858,983 (2013: £10,424,625) available for carry forward against future trading profits

Notes (continued)

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£
Cost			
At beginning of year	81,300	324,443	405,743
At 31 December 2014	81,300	324,443	405,743
Depreciation			
At beginning of year	78,820	186,647	265,467
Charge for year	2,480	48,969	51,449
At 31 December 2014	81,300	235,616	316,916
Net book value			
At 31 December 2014	-	88,827	88,827
At 31 December 2013	2,480	137,796	140,276

8 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	2,561,787	659,757

9 Debtors

	2014	Restated 2013
	£	£
Trade debtors	1,181,651	317,494
Amounts recoverable on contracts (WIP)	3,433,914	5,361,267
Amounts owed by subsidiary undertakings	31,449,777	5,455,616
Other debtors	1,145,182	802,838
Prepayments and accrued income	178,837	15,098,792
	37,389,360	27,036,007

Notes (continued)

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Payments received on account	6,057,327	3,087,270
Trade creditors	3,394,488	4,056,164
Amounts owed to group undertakings	40,672,265	32,957,197
Taxation and social security (includes corporation tax)	223,515	84,352
Other creditors	2,076,429	7,781
Accruals and deferred income	63,370	1,264,158
	<u>52,487,394</u>	<u>41,456,922</u>

11 Pension and other post-retirement benefit commitments

Defined contribution

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.

	2014 £	2013 £
Contributions payable by the company for the year	62,524	77,055
	<u>62,524</u>	<u>77,055</u>

12 Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
500,000 Ordinary of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

13 Statement of movements on profit and loss account

	2014 £
Balance brought forward	(8,839,208)
Restatement (note 1)	(1,735,390)
Balance brought forward (Restated)	<u>(10,574,598)</u>
Profit for the year	688,058
Balance carried forward	<u>(9,886,540)</u>

Notes (continued)

14 Reconciliation of movements in shareholders' deficit

	2014 £	Restated 2013 £
Profit/(loss) for the financial year	688,058	(3,257,667)
Opening shareholders' deficit	(10,074,598)	(6,816,931)
	<hr/>	<hr/>
Closing shareholders' deficit	(9,386,540)	(10,074,598)
	<hr/>	<hr/>

15 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings 2014 £	2013 £
Operating leases which expire: Between two and five years	223,000	223,000
	<hr/>	<hr/>

16 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	44,946	44,946
	<hr/>	<hr/>

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
Administration	8	8
Sales/ technical	44	44
	<hr/>	<hr/>
	52	52
	<hr/>	<hr/>

Employment costs

	2014 £	2013 £
Wages and salaries	2,524,806	2,789,844
Social security costs	286,585	278,079
Other pension costs	66,048	77,055
	<hr/>	<hr/>
	2,877,439	3,144,978
	<hr/>	<hr/>

Notes *(continued)*

18 Control

The company is a wholly owned subsidiary of Yuanda Europe Limited, a company incorporated in Switzerland.

The ultimate parent is Shenyang Yuanda Aluminium Industry Engineering Co. Ltd, a company incorporated in China.

The parent company prepares group financial statements and copies can be obtained from the Registrar at 30-32 Dong Ling Road, Dong Ling District, Shenyang, China.

19 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.