

Report of the Director and
Financial Statements for the Period 17 September 2019 to 31 December 2020
for
FTC CENTURY 178 (UK) CO., LIMITED

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for the Period 17 September 2019 to 31 December 2020

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Company Information

for the Period 17 September 2019 to 31 December 2020

DIRECTOR: B XU

SECRETARY: REED SMITH CORPORATE SERVICES LIMITED

REGISTERED OFFICE: THE BROADGATE TOWER
THIRD FLOOR
20 PRIMROSE STREET
LONDON
EC2A 2RS

REGISTERED NUMBER: 12211716 (England and Wales)

AUDITORS: MAH, CHARTERED ACCOUNTANTS
154 BISHOPSGATE
LONDON
EC2M 4LN

Report of the Director
for the Period 17 September 2019 to 31 December 2020

The director presents his report with the financial statements of the company for the period 17 September 2019 to 31 December 2020.

INCORPORATION

The company was incorporated on 17 September 2019 .

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of hotel operator.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2020.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTOR

B XU was appointed as a director on 17 September 2019 and held office during the whole of the period from then to the date of this report.

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

GOING CONCERN

The financial statements are prepared on a going concern basis. Further information is provided in Note 2 of these financial statements.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies entitled to the small companies' exemptions.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Director
for the Period 17 September 2019 to 31 December 2020

AUDITORS

MAH, Chartered Accountants were appointed auditors to the company during the period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

B XU - Director

10 August 2021

Opinion

We have audited the financial statements of FTC CENTURY 178 (UK) CO., LIMITED (the 'company') for the period ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the period 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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 director's remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies'exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, 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 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 has no realistic alternative but to do so.

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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

MOHAMMED HAQUE (Senior Statutory Auditor)
for and on behalf of MAH, CHARTERED ACCOUNTANTS
154 BISHOPSGATE
LONDON
EC2M 4LN

10 August 2021

Income Statement
for the Period 17 September 2019 to 31 December 2020

	Notes	£
TURNOVER		170,588
Cost of sales		<u>47,394</u>
GROSS PROFIT		123,194
Administrative expenses		<u>398,533</u>
OPERATING LOSS and LOSS BEFORE TAXATION		(275,339)
Tax on loss	6	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(275,339)</u>

Other Comprehensive Income
for the Period 17 September 2019 to 31 December 2020

	Notes	£
LOSS FOR THE PERIOD		(275,339)
OTHER COMPREHENSIVE INCOME		_____ -
TOTAL COMPREHENSIVE INCOME		(275,339)
FOR THE PERIOD		=====

Balance Sheet
31 December 2020

	Notes	£
CURRENT ASSETS		
Debtors	7	167,330
Cash at bank		<u>102,653</u>
		269,983
CREDITORS		
Amounts falling due within one year	8	<u>445,322</u>
NET CURRENT LIABILITIES		<u>(175,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(175,339)</u>
RESERVES		
Share premium	10	100,000
Retained earnings	10	<u>(275,339)</u>
SHAREHOLDERS' FUNDS		<u>(175,339)</u>

The financial statements were approved by the director and authorised for issue on 10 August 2021 and were signed by:

B XU - Director

Statement of Changes in Equity
for the Period 17 September 2019 to 31 December 2020

	Retained earnings £	Share premium £	Total equity £
Changes in equity			
Issue of share capital	-	100,000	100,000
Total comprehensive income	(275,339)	-	(275,339)
Balance at 31 December 2020	<u>(275,339)</u>	<u>100,000</u>	<u>(175,339)</u>

Cash Flow Statement
for the Period 17 September 2019 to 31 December 2020

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	<u>2,653</u>
Net cash from operating activities		<u>2,653</u>
Cash flows from financing activities		
Share issue		<u>100,000</u>
Net cash from financing activities		<u>100,000</u>
Increase in cash and cash equivalents		<u>102,653</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>102,653</u></u>

Notes to the Cash Flow Statement
for the Period 17 September 2019 to 31 December 2020

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	£
Loss before taxation	(275,339)
Increase in trade and other debtors	(167,330)
Increase in trade and other creditors	<u>445,322</u>
Cash generated from operations	<u><u>2,653</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2020

	31.12.20	17.9.19
	£	£
Cash and cash equivalents	<u><u>102,653</u></u>	<u><u>-</u></u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 17.9.19	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>-</u>	<u>102,653</u>	<u>102,653</u>
	<u>-</u>	<u>102,653</u>	<u>102,653</u>
Total	<u><u>-</u></u>	<u><u>102,653</u></u>	<u><u>102,653</u></u>

Notes to the Financial Statements
for the Period 17 September 2019 to 31 December 2020

1. **STATUTORY INFORMATION**

FTC CENTURY 178 (UK) CO., LIMITED is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements are for a period longer than one year as the company's first period end was extended to align with that of its parent company.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates,value added tax and the other sales taxes.The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide the services is recognised in the period in, which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- the cost incurred and the cost to be complete the contract can be measured reliably.

Notes to the Financial Statements - continued
for the Period 17 September 2019 to 31 December 2020

2. ACCOUNTING POLICIES - continued

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

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost, including trade and other payables and loans.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

Notes to the Financial Statements - continued
for the Period 17 September 2019 to 31 December 2020

2. **ACCOUNTING POLICIES - continued**

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

The company's functional and presentational currency is GBP.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the intermediate parent company. The director has received confirmation that the intermediate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis.

The Director note that the World Health Organisation declared a pandemic relating to COVID-19 on 11 March 2020, and social distancing measures were introduced in the UK during March 2020. The Director has assessed the impact of incorporating additional COVID-19 risk factors in the Going Concern assessment over a period of at least 12 months after the signing of these financial statements.

Key assumptions considered by management when assessing going concern include adjusting managements best estimate of forecasted performance for factors including the length and extent of current lockdown/tiered restrictions, the resulting general business environment and the speed of recovery of trading after lockdown/tiered restrictions ease. These have been estimated for their respective impacts on the company's revenues, fixed and variable costs and resultant expected cash flow requirements.

The company's forecasts and projections, taking into account a reasonable estimate of a possible downturn in trading performance arising from the COVID-19 outbreak, show that the company has sufficient financial resources for the going concern period. The Director therefore does not believe that the COVID-19 outbreak represents a material uncertainty about the entity's ability to continue as a going concern.

The Director has also considered the potential impact on its business of the UK's exit from the European Union (Brexit). The Director does not believe that Brexit represents a material uncertainty about the entity's ability to continue as a going concern.

Accordingly, the Director has adopted the going concern basis in preparing these financial statements.

Notes to the Financial Statements - continued
for the Period 17 September 2019 to 31 December 2020

2. **ACCOUNTING POLICIES - continued**

Debtors

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

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.

Cash and cash equivalent

Cash is represented by cash in hand and deposits with financial institutions without penalty on notice of not more than 24 hours. Cash equivalent are highly liquid investments that measure 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 of value.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of financial information in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Recoverability of trade debtors

Due to the nature of the business, there are high levels of trade debtors at the year end, and therefore a risk that some of these balances may be irrecoverable. A bad debt review is carried out by the director where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain.

4. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 31 December 2020.

The average number of employees during the period was NIL.

Director's remuneration	£
	<u>-</u>

5. **OPERATING LOSS**

The operating loss is stated after charging:

Auditors' remuneration	£
	<u>3,500</u>

6. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the period.

Notes to the Financial Statements - continued
for the Period 17 September 2019 to 31 December 2020

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

Loss before tax	£ (275,339)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(52,314)
Effects of:	
Utilisation of tax losses	52,314
Total tax charge	<u>-</u>

No liability to UK corporation tax arose for the period.

The Company has unutilised tax losses of approximately £275k that would be available to carry forward against future profits from the same activity, subject to agreement by HM Revenue & Customs. Deferred tax assets of approximately £52k in respect of tax losses have not been recognised in the financial statements as the director believe there is uncertainty whether the assets are recoverable.

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade debtors	£ 126,286
VAT	24,074
Prepayments	7,834
Accrued income	9,136
	<u>167,330</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade creditors	£ 54,534
Other creditors	21,725
Amount owed to group undertakings	169,593
Amount owed to parent company	123,008
Accrued expenses	76,462
	<u>445,322</u>

9. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		
Number:	Class:	Nominal value:
10	Ordinary Share Capital	£0.01
		£ <u>-</u>

Upon incorporation the company issued 1 ordinary share at par value.

On 21 May 2020 the company issued 9 ordinary shares for consideration of £11,111.11 per share.

Notes to the Financial Statements - continued
for the Period 17 September 2019 to 31 December 2020

10. RESERVES

	Retained earnings £	Share premium £	Totals £
Deficit for the period	(275,339)		(275,339)
Cash share issue	-	100,000	100,000
At 31 December 2020	<u>(275,339)</u>	<u>100,000</u>	<u>(175,339)</u>

11. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

12. ULTIMATE CONTROLLING PARTY

The immediate parent company is Fosun Tourism and Culture Group (HK) Company Limited, a company incorporated in Hong Kong.

The ultimate parent company is Fosun International Holdings Ltd, a company incorporated in British Virgin Islands.

The largest group into which the results of the company are consolidated is Fosun International Limited. The financial statements of Fosun International Limited are available from: www.fosun.com

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the other group companies.

The Director is considered to be the only key management personnel of the company.