Lunar Sapphire Limited

Registered number: 09555521

Director's report and financial statements

For the year ended 31 December 2016

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COMPANIES HOUSE

LUNAR SAPPHIRE LIMITED

COMPANY INFORMATION

Director	Ping Gong
Registered number	09555521
Registered office	16 St. Martin's Le Grand London EC1A 4EN England
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

LUNAR SAPPHIRE LIMITED

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DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The sole director presents his report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is to finance a 60% holding in a limited liability partnership, from which it earns property management income, as well as a 1% holding in a Brazilian entity.

Director

The director who served during the year was:

Ping Gong

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.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with 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 he gives 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;
- 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.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Provision of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

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

Post balance sheet events

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

Small companies note

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved and signed by the sole director.

Ping Gong
Director

Date: 28 September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LUNAR SAPPHIRE LIMITED

We have audited the financial statements of Lunar Sapphire Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. 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'.

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement set out on page 1, the director is 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. This report is made solely to the company's member 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 member 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 member as a body for our audit work, for this report, or for the opinions we have formed.

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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year ended 31 December 2016 for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LUNAR SAPPHIRE LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report.

David Herbinet (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 29 September 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 £	Period ended 31 December 2015 £
Administrative expenses		(13,209)	(563,374)
Operating loss	4	(13,209)	(563,374)
Income from shares in group undertakings		1,507,549	904,332
Interest payable and expenses	7	(2,437,069)	(581,396)
Loss before tax		(942,729)	(240,438)
Tax on loss	8	-	(63,214)
Loss for the year/period		(942,729)	(303,652)
Other comprehensive income		-	-
Total comprehensive income for the year/period		(942,729)	(303,652)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 17 form part of these financial statements.

LUNAR SAPPHIRE LIMITED
REGISTERED NUMBER: 09555521

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Investments	9		11,153,478		11,114,688
			11,153,478		11,114,688
Current assets					
Debtors: amounts falling due within one year	10	1,585,693		904,332	
Cash at bank		904,449		-	
		2,490,142		904,332	
Creditors: amounts falling due within one year	11	(7,569,495)		(6,383,193)	
Net current liabilities			(5,079,353)		(5,478,861)
Total assets less current liabilities			6,074,125		5,635,827
Creditors: amounts falling due after more than one year	12		(7,320,505)		(5,939,478)
Net assets			(1,246,380)		(303,651)
Capital and reserves					
Called up share capital	14		1		1
Profit and loss account	15		(1,246,381)		(303,652)
			(1,246,380)		(303,651)

The comp's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Ping Gong
Director

Date: 28 September 2017

The notes on pages 8 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 22 April 2015	-	-	-
Comprehensive income for the period			
Loss for the period	-	(303,652)	(303,652)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(303,652)	(303,652)
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 1 January 2016	1	(303,652)	(303,651)
Comprehensive income for the year			
Loss for the year	-	(942,729)	(942,729)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(942,729)	(942,729)
Total transactions with owners	-	-	-
At 31 December 2016	1	(1,246,381)	(1,246,380)

The notes on pages 8 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Lunar Sapphire is a limited company incorporated in the United Kingdom. The address of its registered office is 16 St. Martin's Le Grand, London, EC1A 4EN, England, United Kingdom.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preperation of financial statements

Statement of compliance

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' ('FRS 101') and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU adopted IFRSs) have been applied to these financial statements and where necessary, amendments have been made in order to comply with the Companies Act 2006.

2.2 Disclosure exemptions applied

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- The requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the investments available for sale and derivative financial instruments;
- The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 18(118)(e));
- The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- The requirements of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the company and other wholly-owned subsidiaries of the group.

2. Accounting policies (continued)

2.3 Consolidated financial statements

The company is the parent undertaking of a small group and as such is not required by the companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.4 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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in statement of comprehensive income for the period.

2.6 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. Accounting policies (continued)

2.7 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 the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.8 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.10 Taxation

Tax is recognised in the statement of comprehensive income, 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.

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

Critical judgements in applying the company's accounting policies

The critical judgements that the director has made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment of investment

In assessing whether there have been any indicators of impairment of investment, the director has considered the results of the subsidiary and the group. There have been no indicators of impairments identified during the current financial year.

4. Operating loss

The operating loss is stated after charging:

	31 December 2016 £	Period ended 31 December 2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,000	7,500

During the year, the director did not receive any emoluments (2015: £nil).

5. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	31 December 2016 £	Period ended 31 December 2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,000	7,500
Fees payable to the company's auditor and its associates for other services	3,350	1,500

6. Employees

The company has no employees other than the director, who did not receive any remuneration (2015: £nil).

7. Interest payable and similar charges

	31 December 2016 £	Period ended 31 December 2015 £
Foreign exchange loss on loan and amounts due to parent (note 16)	2,045,564	400,748
Loans from group undertakings	391,505	180,648
	2,437,069	581,396

8. Taxation

	31 December 2016 £	Period ended 31 December 2015 £
Corporation tax		
Current tax on profits for the year/period	-	63,214
	-	63,214
Total current tax	-	63,214
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	63,214

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	31 December 2016 £	Period ended 31 December 2015 £
Profit on ordinary activities before tax	(942,729)	(240,438)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(188,546)	(48,088)
Effects of:		
Expenses not deductible for tax purposes	-	111,302
Adjustments to brought forward values	46,873	-
Adjust closing deferred tax to averagerate of 20.00%	21,251	-
Deferred tax not recognised	120,422	-
Total tax charge for the year/period	-	63,214

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and takes effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

9. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2016	11,114,688	-	11,114,688
Additions	-	38,790	38,790
At 31 December 2016	11,114,688	38,790	11,153,478
Net book value			
At 31 December 2016	11,114,688	38,790	11,153,478
At 31 December 2015	11,114,688	-	11,114,688

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Resolution Property IM LLP	UK	ordinary	60 %	Provision of property investment advice and admin services

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Resolution Property IM LLP	738,842	2,516,446
	738,842	2,516,446

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Debtors

	2016 £	2015 £
Amounts owed by subsidiary undertakings	1,585,693	904,332
	1,585,693	904,332

The amounts owed by subsidiary undertaking are interest free and are repayable on demand.

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	7,485,931	6,310,979
Corporation tax	63,214	63,214
Accruals and deferred income	20,350	9,000
	7,569,495	6,383,193

The amounts owed to group undertakings are non interest bearing and are repayable on demand.

12. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	7,320,505	5,939,478
	7,320,505	5,939,478

Amounts owed to group undertakings are interest free and repayable in 2021 except for the loan from Fosun Property Holdings Limited which attracts interest at a rate of 6%. During the period this interest amounted to £622,879 (2015: £180,648).

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,490,142	904,332
	2,490,142	904,332
Financial liabilities		
Financial liabilities measured at amortised cost	(14,826,786)	(12,322,671)
	(14,826,786)	(12,322,671)

Financial assets measured at amortised cost comprise amounts owed by subsidiary undertakings and cash at bank.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors and accruals.

14. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

On 22 April 2015 the company issued 1 ordinary share at par.

15. Reserves

Profit and loss account

This reserve represents cumulative profits and losses.

16. Related party transactions

In 2016, the company took up 1% share capital of Fosun Investimentos (Brasil) Ltda for €45,503 (£38,790).

During the prior period, the company received amounts from Fosun Property Holdings Limited, its intermediate parent company. The amount received were €15,600,000 (£11,510,616), $810,765 (£547,509) and £8,162. Included within above was €7,800,000 (£5,755,308) which is a loan due for repayment in 2021. This has therefore been disclosed within creditors due outside one year, along with the interest on this loan which was charged at 6%. The total amount of foreign exchange losses during the period in relation to amounts provided by Fosun Property Holdings Limited was £2,043,370 (2015: £400,748).

All other balances were identified as repayable on demand and do not incur interest.

At the year end, an amount of £2,404,332 was owed by Resolution Property IM LLP, a subsidiary company incorporated in England and Wales.

At the year end, an amount of £78,144 was owed by Fosun Investimentos (Brasil) Ltda, a company in which Lunar Saphire Limited has an interest and incorporated in Brazil.

17. Post balance sheet events

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

18. Controlling party

The immediate parent company is Fosun Property Holdings Ltd, a company incorporated in Hong Kong.

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

The intermediate parent company and largest group into which the results of the company are consolidated is Fosun International Limited. The financial statements of Fosun International Limited is available at: ir.fosun.com.